

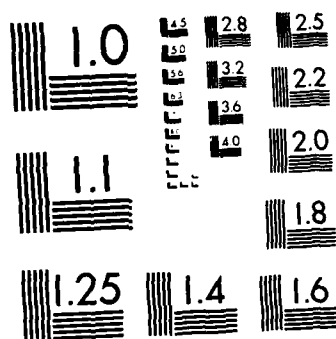
CONTINGENCY CONTRACTING SMART BOOK(U) ARMY PROCUREMENT
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CONTINGENCY CONTRACTING
SMART BOOK

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ARMY PROCUREMENT RESEARCH OFFICE
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
FORT LEE, VIRGINIA 23801-6045

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APRO 86-05
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CONTINGENCY CONTRACTING SMART BOOK

by
P. Stephen Gilliatt

AUGUST 1987

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OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
Army Procurement Research Office
Fort Lee, Virginia 23801-6045

EXECUTIVE SUMMARY

A. **BACKGROUND.** Contingency contracting is a concept designed to augment the logistical support of deployed forces through the use of local purchases. This concept is an out-growth of the need to be able to support Light Divisions outside logistically established areas like Europe or Korea. Deployments outside such areas can anticipate little or no immediate support from Host Nation Support or the Logistics Civil Augmentation Program. Until the logistical system can "catch up", units deployed outside logistically established areas should be prepared to stretch their resources via local purchases. The ability to do this will depend on the resources available in the area and the existence of business skills within the deployed forces.

B. STUDY OBJECTIVE. The objective of this study was to draw upon lessons learned from deploying into Grenada and other areas outside Europe or Korea to identify the type of contracting/business guidance that would be appropriate in such "peacetime" deployments. The final product of the study was to be a "smart book" (the Appendix) to help guide novice contracting officers/ordering officers, especially in the area of small purchases.

C. STUDY APPROACH.

1. Examine the logistical problems or situations that occurred when deployments took place outside Europe or Korea.
2. Review existing acquisition guidance to identify possible avenues of "peacetime" relief that might be applicable to supporting deployed forces.
3. Identify the areas of responsibility that exist when interfacing with the State Department, the Corps of Engineers, Claims Commissions, etc.

D. SUMMARY AND CONCLUSIONS. Unless the Army makes an effort to develop and train officers and enlisted men in the skills of making small purchases or writing service or minor construction contracts, the experiences of previous deployments outside logistically established areas will be repeated. Continuation of the present "Hey, You!" method of selection in designating contracting officers/ordering officers, serves only to underscore the need for a "smart book" (the Appendix).

E. RECOMMENDATION. That the Contingency Contracting "smart book" be either published as a DA pamphlet or the contents made part of a Field Manual. For the Army to continue without official guidance on this subject is to risk legal embarrassment or worse.

[illegible]

TABLE OF CONTENTS

	<u>PAGE</u>
EXECUTIVE SUMMARY.....	iii
STUDY TEXT.....	1
A. BACKGROUND.....	1
B. STUDY OBJECTIVES.....	2
C. STUDY APPROACH.....	2
D. SUMMARY AND CONCLUSIONS.....	3
E. RECOMMENDATION.....	3
APPENDIX	
PROPOSED DA PAMPHLET ON CONTINGENCY CONTRACTING.....	4

STUDY TEXT

A. BACKGROUND.

The United States Army has responsibilities that are global, extending to wherever there are national interests, obligations or commitments. The ability to meet these responsibilities demands that the Army be able to sustain itself in situations far from our national shores and perhaps from the shores of our NATO allies. Logistically, Army units will be the most vulnerable when they are deployed outside established logistical areas like Europe or Korea. In these situations, Light Divisions and other highly deployable formations could be expected to perform their missions at the end of a very extended supply line. That supply line will obviously have to give priority to uniquely military supplies (i.e. munitions, spare parts, etc.). Supplies that are not uniquely military may be available in the local economy. If so, the purchase of locally available supplies or services would take some of the "pressure" off what could be a nearly non-responsive supply line, especially in the early phase of a deployment.

Presently the Army does not have the skills or organization within their Light Divisions or similar units to compensate for logistical shortfalls, without resorting to the foraging techniques of search and seizure. Foraging practices are certainly the right of a sovereign power when operating in an enemy country, but hardly appropriate in "peacetime" or when pacification of the deployment area is the ultimate objective. In the latter situation it is better to negotiate and buy rather than search and seize. The former may take longer because of the need to negotiate, but the deployed forces would benefit by being reasonable in their dealings with the indigenous population. This should allow the deployed forces to operate without the passive resistance

(i.e. hiding supplies, etc.) that an occupation force could normally expect to encounter. An additional benefit would be to avoid the need to settle the usual large numbers of claims that predictably result from a major deployment outside a logistically established area.

To foster the chances of achieving these benefits, those officers and enlisted men designated to represent the Army contractually in support of a deployment, must have appropriate guidance. Assuming their background in contracting will range from "no prior experience" to "classroom instruction only", a guide or "smart book" may compensate by providing detailed instructions. Such instructions should explain in detail how to complete forms, what goes in a contract file, who gets what copies, etc. Yet the guide must be as tightly written as possible so as not to become merely another Federal Acquisition Regulation (FAR). This study develops such a guide.

B. STUDY OBJECTIVES.

The objective of this study was to draw upon lessons learned from deployments into Grenada and other places outside logistically established areas like Europe and Korea. Specifically the study will:

1. Discuss and analyze the experiences of personnel assigned to perform contracting functions during such deployments.
2. Determine from these experiences both the subjects requiring guidance and the detail necessary to implement that guidance.
3. Prepare the guidance (a smart book) in a format similar to a DA pamphlet to facilitate its understanding and early implementation.

C. STUDY APPROACH.

The study included not only discussions with individuals who had first-hand experiences in overseas deployment contracting, but a review of articles and reports on the same or related subjects. The need to discuss

relationships and possible solutions with the other Departments, including those outside the Department of Defense, was also a consideration. An early assumption in the study was that any deployment would occur without the statutory/regulatory relief that would result from a Congressional Declaration of War. Historically, this assumption has proven highly valid. Accordingly, any guidance offered in the study (smart book) would have to focus on methods fully acceptable in peacetime. Finally, some attention would have to be given to the legal "boundary lines" that limit responsibility between Departments in the area of settling various claims.

D. SUMMARY AND CONCLUSIONS.

The variety of contracting skills needed to make Contingency Contracting work is presently concentrated in a highly civilianized workforce at the Army installation level. This force is not immediately deployable. Those uniform Army personnel that are trained in contracting are almost all officers. Few of these officers have the installation level skills (i.e. small purchases, service, minor construction, etc.) needed. The result is a need for a "smart book" (the Appendix). Until the Army can move beyond the present "Hey, You!" method of selecting and designating contracting officers/ordering officers, there will be a continuing need for the "smart book" developed in this study.

E. RECOMMENDATION.

That the Contingency Contracting "smart book" (the Appendix) be either published as a DA pamphlet or the contents made part of a Field Manual. The Army can not continue without official guidance in this area, except at the risk of legal embarrassment or in extreme cases, mission failure from the lack of logistical support.

Appendix

Proposed DA Pamphlet on Contingency Contracting

Department of the Army
Pamphlet 715-XX

Procurement

Contingency
Contracting

Headquarters
Department of the Army
(Date)

Summary of Change

DA PAM 715-XX

CONTINGENCY CONTRACTING

This new pamphlet--

- o Defines and discusses the purpose of contingency contracting in Chapter 2.
- o Describes the responsibilities and authority of the contracting officer, G-4/S-4, the ordering officer, customers and others in Chapter 2 and 3.
- o Explains in detail the possible uses and completion requirements of the SF 44, the Imprest Fund and the DD Form 1155 when used as a purchase order in Chapter 4.
- o Reviews the requirements for making a large purchase with emphasis on letter contracts, time-and-materials contracts and requirements contracts in Chapter 5.
- o Describes in detail the contents required to prepare a contingency contracting kit in Chapter 6.
- o Provides advice and lessons learned on contracting in a foreign country under contingency conditions in Chapter 7.
- o Describes in general the coordinating procurement program and the procedures for preparing and accepting a MIPR in Chapter 8.
- o Explains the purpose of Government contract financing with specific reference to the use of progress payments and advance payments in Chapter 9.
- o Describes briefly the contract administration process with specific explanations on contract modification and contract closeout in Chapter 10.

Foreword

This new pamphlet contains guidance for the formation and administration of contracts under contingency conditions in immediate support of deployed units. The requirement for this guidance stems from lessons learned in previous deployments and the need to be logistically flexible, particularly during the early phases when unexpected/emergency logistic demands are greatest. While I am sure that those of you designated as contingency contracting officers and ordering officers will find this pamphlet a valuable source of information, the need for cooperation between the requiring and logistics activities is essential to the success of the mission.

The tasks required to obtain logistical support from the local economy of the country in which the deployment occurs are complex and demanding. I therefore urge all interested parties to work together within the statutes and regulations for the benefit of the deployed units. Only through cooperation and team work can the success of their mission be assured.

The Deputy Chief of Staff for Logistics

Contents (Listed by paragraph number)

Chapter 1

Introduction

Purpose o 1-1

References o 1-2

Explanation of abbreviations and terms o 1-3

Chapter 2

Contingency Contracting

What contingency contracting is o 2-1

Requesting deviations o 2-2

The purpose of contingency contracting o 2-3

Contingency contracting customers o 2-4

Contingency contracting funding o 2-5

Deployment Timing o 2-6

Joint Service Contracting o 2-7

Taxes o 2-8

Chapter 3

Responsibilities and Authority

Responsibilities of the contracting officer o 3-1

Responsibilities of the ordering officer o 3-2

Responsibilities of claims operations o 3-3

Responsibilities of the Corps of Engineers o 3-4

Ratifications o 3-5

Chapter 4

Methods of Small Purchase

Generalization o 4-1

SF 44, Purchase Order-Invoice-Voucher o 4-2

Imprest fund o 4-3

Purchase orders o 4-4

Blanket purchase agreements o 4-5

Chapter 5

Large Purchases

General o 5-1

Competition and oral solicitations o 5-2

Selection of a contract type o 5-3

Letter contracts o 5-4

Time-and-materials contracts o 5-5

Requirements contracts o 5-6

Cost-reimbursement contracts o 5-7

Unpriced contractual instruments o 5-8

Chapter 6

Contingency Contracting Kit

Planning o 6-1

Contracting officer responsibility o 6-2

The minimum contents of a kit o 6-3

Optional contents of a kit o 6-4

Chapter 7

Lessons Learned and Other Advice

Getting set up and locating sources o 7-1

Conducting the negotiations o 7-2

Reaching agreement and forming the contract o 7-3

Chapter 8

Military Interdepartmental Purchase Request (MIPR)

Coordinated procurement program o 8-1

Exceptions to the coordinated procurement program o 8-2

Commodity assignments o 8-3

Working with other services o 8-4

Preparing a MIPR o 8-5

Acceptance of MIPR o 8-6

Chapter 9

Contract Financing

General o 9-1

Partial payments o 9-2

Progress payments o 9-3

Advance payments o 9-4

Chapter 10

Contract Administration

General o 10-1

Contract modifications o 10-2

Preparing a contract modification o 10-3

Terminations o 10-4

Contract closeout o 10-5

Appendix A. References

Glossary

Headquarters
Department of the Army
Washington, DC

Department of the Army Pamphlet 715-XX

Procurement

Contingency Contracting

This UPDATE printing publishes this new pamphlet which is effective

By Order of the Secretary of the Army:

JOHN A. WICKHAM, JR.

General, United States Army

Chief of Staff

Official:

R. L. DILWORTH

Brigadier General, United States Army

The Adjutant General

Summary. This pamphlet describes tasks, considerations and responsibilities in the performance of contingency contracting. It covers the basic guidance necessary to formulate contracts and complete forms necessary to obtain in-country contract support for deployed units.

Applicability. This pamphlet applies to the Active Army, U.S. Army Reserve, and the Army National Guard. Specifically, this pamphlet applies to contingency contracting officers.

Impact on New Manning System. This pamphlet does not contain information that affects the New Manning System.

Interim Changes. Interim changes to this pamphlet are not official until authenticated by the Adjutant General. Users will destroy interim changes on their expiration dates unless sooner superseded or rescinded.

Suggested Improvements. The proponent agency of this pamphlet is the Office of the Deputy Chief of Staff for Logistics. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to HQDA (DALO-CPZ), WASH DC 20310-0570.

Distribution. Active Army, ARNG, and USAR: D

Chapter 1

Introduction

1-1. Purpose

This pamphlet is a guide for designated contingency contracting officers and their representatives, who will formulate, negotiate, award and administer incountry contracts in support of deployed units. It explains in general the procedures that should be followed and the factors to be considered when negotiating and contracting with foreign nationals. Primary emphasis is placed on the maintenance of documentation, resolution of unusual situations and application of good business judgement.

1-2. References

Required and related publications are listed in appendix A.

1-3. Explanation of abbreviations and terms

Abbreviations and special terms used in this pamphlet are explained in the glossary.

Chapter 2

Contingency Contracting

2-1. What contingency contracting is

Contingency contracting is the process of contracting for locally available supplies and services in immediate support of deployed units. Its purpose is to fill logistical needs not satisfied by either the Logistic Civil Augmentation Program (LOGCAP), Host Nation Support (HNS) or established military service sources. While the concept is both viable and economically sound, the process is complicated in peacetime by an absence of statutory and regulatory waivers. Accordingly, absent a congressional declaration of war or some statutory relief, normal contracting procedures must be followed when entering into contingency contracts. However, while statutory relief may be unobtainable, relief from nonstatutory regulations can and should be sought as considered necessary by the contracting officer.

2-2. Requesting deviations

The contingency contracting officer designated to command the contingency contracting team projected in the operations plan (OPLAN) should undertake to obtain, as necessary, deviations from regulatory requirements. Requests for class deviations should be initiated as soon as possible prior to deployment. Deviation requests initiated after deployment may not be timely since such requests should not be retroactive in nature and should be fully supportable. The contracting officer, in accordance with Army Federal Acquisition Regulation Supplement (AFARS) 1.404, should direct requests for class deviations in nine copies to the Deputy Assistant Secretary of the Army

(Acquisition), Department of the Army, Washington, DC 20310. The request should follow the following format: (1) problem, (2) recommendation, and (3) discussion.

2-3. The purpose of contingency contracting

The purpose of contingency contracting is to reduce logistic dependency for CONUS furnished supplies and services to support deployed Army units. To the extent that the supply and service requirements of deployed units can be satisfied by locally available resources, the logistics response time can be reduced and airlift/sealift assets made available for more urgent needs. A secondary benefit is the enhancement of popular support that stems from providing job opportunities for the indigenous population.

2-4. Contingency contracting customers

a. It is anticipated that only those agencies which normally submit purchase requests (PRs) will initiate requests under contingency conditions. However, to prevent abuse of the Uniform Material Movement and Issue Priority System (UMMIPS), it is recommended that all PRs, regardless of origin, be first channeled through either the Assistant Chief of Staff, G4 (Logistics) or Supply Officer (S4). The G-4/S-4 will validate the requirement by determining if it is (1) legitimate and authorized, and (2) if it should be filled contractually, and if so, (3) the urgency (UMMIPS) of the requirement. Validation by the G-4/S-4 sets logical priorities and prevents the adoption of a "first in, first out" approach which results when all requirements have "equal" urgency.

b. The services of the contingency contracting officer and his staff are not needed for requirements which necessitate the preparation of a Military Interdepartmental Purchase Request (MIPR). The G-4/S-4 should prepare and

submit the MIPR in accordance with Chapter 8 once it has been determined that no exceptions are applicable. The G-4/S-4 should consult with the contracting officer if there are questions as to the appropriate course of action.

2-5. Contingency contracting funding

Prior to deployment, either the Assistant Chief of Staff, G3 (Operations and Plans) or the Operations and Training Officer (S3) is responsible for obtaining funding for the deployment. However, once the deployment commences, the funding of incountry costs becomes the responsibility of a Theater/Corps Finance Group depending upon the size of the deployment and the theater. The Theater/Corps Finance Group will provide funding for PRs that have been validated by the G-4/S-4. PRs that have been both validated and funded should be handcarried to the contingency contracting officer by a Class A agent from the Theater/Corps Finance Group. The Class A agent makes payments directed by the contingency contracting officer and completes, as appropriate, the accounting portions of various contracting documents.

2-6. Deployment timing

The OPLAN determines when the contingency contracting team will deploy. Notwithstanding the implications in Chapter 7 that G-4/S-4 elements may already be present on arrival, the contingency contracting team may be expected to deploy earlier; perhaps as early as the assessment team.

2-7. Joint Service Contracting

Since most deployments will be joint service operations, the contingency contracting team should anticipate the need to work with the contingency contracting teams of other services. The OPLAN should address the issue of creating a joint service contract activity staffed for example with both Army and Air Force personnel. Paragraph 8-4 has additional guidance.

2-8. Taxes

The extent to which purchases in the deployment area might be subject to foreign tax laws is dependent upon applicable international agreements. Accordingly requests for the payment of foreign taxes should be referred by the contracting officer to the appropriate Staff Judge Advocate (SJA) for advice.

Chapter 3

Responsibilities and Authority

3-1. Responsibilities of the contracting officer

The contracting officer must understand his/her responsibilities and accept the limited nature of his/her authority. The contracting officer is responsible to the:

- a. Head of the Contracting Activity (HCA) to fully comply with all the applicable requirements of the Federal Acquisition Regulations (FAR), the Defense FAR Supplement (DFARS), the Army FAR Supplement (AFARS) and any applicable Major Command (MACOM) supplements.
- b. HCA to not exceed any monetary limitation and other restrictions placed in the certificate of appointment (SF 1402).
- c. Customer to do everything possible within the statutory and regulatory framework to obtain the quality and timely delivery of the supplies and services required.
- d. Contractor to be fair and impartial when considering contractor claims and requests for extensions, while at the same time fostering the best interests of the Government.
- e. Staff Judge Advocate to request a legal sufficiency review for any solicitations which may result in a contract over \$100,000. Solicitations less than \$100,000 shall be reviewed for legal sufficiency to the maximum extent consistent with the availability of legal counsel.
- f. Supporting disbursing element (e.g., Corps Finance Group, Class A agent) to assist, as necessary, in reporting the obligation/deobligation status of funds.

3-2. Responsibilities of the ordering officer (AFARS 1.698)

An ordering officer is the authorized representative of the contracting officer for which, the authority, instructions and guidance are found in AFARS 1.698. The need for appointment, and the ordering authority of an ordering officer are determined by the contracting officer. AFARS 1.698-4 places the ordering officer under the appointing authority. Normally, the appointing authority would be the chief of the contracting office, but for contingency contracting it is the contracting officer. The ordering officer may be any commissioned officer, warrant officer or senior noncommissioned officer if an officer is not available. Class A Agents and Property Book Officers cannot be ordering officers. For contingency contracting purposes the duties of the ordering officer should normally be limited to (1) making purchases using imprest funds (AFARS 13.405), (2) making over-the-counter purchases not exceeding \$1000 using a Standard Form 44, Purchase Order-Invoice-Voucher (AFARS 13.505-3) or (3) placing delivery orders against indefinite delivery type contracts within terms and monetary limitations (AFARS 1.698-1).

3-3. Responsibilities of claims operations

a. The resolution of noncontractual claims (claims not arising under a contract or from an irregular procurement) is not the responsibility of the contracting officer or ordering officer. Noncontractual claims are the responsibility of the Staff Judge Advocate (SJA), specifically SJA officers appointed by the Commander, U.S. Army Claims Service (USARCS) to serve on a Foreign Claims Commission. The appointment and authority of Foreign Claims Commissions are governed by the Foreign Claims Act, 10 U.S.C. 2734, as implemented by DOD Directive 5515.3 and Chapter 10, AR 27-20. The Act authorizes the administrative settlement of claims by the inhabitants of a foreign country against the United States.

b. The only valid claim that can be settled by a Foreign Claims Commission is a tort-related claim. A tort is a wrongful act or injury which could be considered outside the line of duty. To qualify as a tort, the claim against the United States must (1) have arisen outside the United States, and (2) be incident to noncombat activities of the Army. Combat related claims are excluded because the United States is a sovereign power. For example, property destroyed in a fire fight with the enemy would not result in a valid claim, while looting or willfully or maliciously destroying or defacing property would be compensable.

c. Claims arising under a contract or claims arising from an irregular procurement (see paragraph 3-5 on ratifications) are not handled by a Foreign Claims Commission. These claims must be resolved by the contracting officer or, in the case of ratification, by a level higher than the contracting officer (para 3-5d). An example of an irregular procurement would be the requisitioning of civilian transportation in immediate support of a military purpose or objective. While such requisitioning may be a military necessity, it could result in a claim against the United States which the contracting officer must process as a ratification. Such ratification obligations should be limited to the depreciation that occurred, considering in-country market values for the requisitioned vehicle. Alleged noncombat vehicle damage and parts theft resulting from use by U.S. soldiers is, however, a tort matter and should be handled by a Foreign Claims Commission.

3-4. Responsibilities of the Corps of Engineers

a. The contractual responsibilities of the Corps of Engineers (COE) in support of a deployment will vary depending on the extent to which the OPLAN assigns responsibilities to the COE. At a minimum, COE participation in a deployment would involve settling real property transactions (see following

paragraph). Those COE representatives assigned will probably come from the nearest COE district office, depending on district boundaries. (For example, Grenada real property claims were handled by the New Orleans District.) The contracting officer should therefore anticipate contracting for some construction requirements, the volume and magnitude to be determined by the engineering units or assets available to the deployment commander.

b. Real property transactions can only be conducted by the COE. Accordingly, the contracting officer should not become involved with requests involving real property. However, contracts for hotel rooms are considered service contracts and do not fall into this category. (Real property is considered to be land and permanent structures on the land.) By regulation, the COE is responsible for the leasehold acquisition of real property assets by the Army. Therefore, claims arising from the occupancy of real property by U.S. Forces are to be referred to COE representatives for settlement. Notwithstanding the possibility of tort-related damage to real property, AR 27-20, paragraph 10-11p, prohibits the Foreign Claims Commissions from paying claims for rent or damage involving the acquisition, use, possession or disposition of real property. The COE, however, is authorized by AR 405-15, paragraph 5, to not only negotiate leases (including retroactive releases), but to pay for tort-related damage to real property. (NOTE: Under this arrangement the COE would settle lease/tort damage real property claims, while the Foreign Claims Commissions would settle claims for looting, destruction or defacement of personal property in that real property.) Claims for combat related damage to either real or personal property are not compensable.

3-5. Ratifications (AFARS 1.670)

a. Individuals who are neither contracting officers nor authorized contracting officer representatives acting within the scope of their authority cannot contractually obligate the Government. Only contracting officers acting within the scope of their authority may enter into contracts on behalf of the Government. In order for unauthorized commitments to be ratified by the Government, the individual who made the unauthorized commitment must forward to his/her Commander documentation concerning the transaction. Such documentation must include a signed statement of the circumstances, why normal procedures were not followed, what the bona fide Government requirement was, what benefit was received, its value and any other pertinent facts. All relevant documents and evidence of the transaction should be attached.

b. The Commander, if he/she concurs that the commitment should be ratified, will forward the documentation in paragraph a. above to the contracting officer with an endorsement that the documentation is complete and has been verified. Additionally, the Commander will describe the measures taken to prevent a recurrence including any disciplinary action (to be) taken under paragraph 2-1f, AR 600-50, or other applicable authority. The Commander will also attach a complete purchase description and funding for ratifying the contract. (If funding is not available to the Commander, the Commander will have to initiate a request for funding.)

c. Upon receipt of the documentation described in paragraphs a. and b. above, the contracting officer will prepare a summary statement to include both a recommendation as to whether the transaction should be ratified, and the rationalization. While not required, the contracting officer is encouraged to consult the SJA before making a recommendation whether or not to ratify the unauthorized commitment. If the recommendation is not to ratify,

another recommendation should be made as to whether the matter should be processed under FAR and DFARS Part 50 (Public Law 85-804) or as a General Accounting Office (GAO) claim, or other appropriate disposition.

d. The individual responsible for approving or disapproving the ratification request will be the Head of the Contracting Activity (HCA) of the theater the contracting officer is in, not the appointing HCA. This authority may be delegated by the HCA without authority to redelegate. AFARS 1.670-3(a)(2) authorizes the chief of a contracting office to approve ratification actions of \$2500 or less if the HCA delegates.

e. Contingency situations may generate a number of unauthorized purchases made by well-meaning individuals who determined a need and took steps to fill that need. However, good intentions and noble purposes are not an adequate substitute for authority. Contracting officers shall not be ordered or directed by a superior to "cover up" retroactive purchases which legally require ratification (AFARS 1.602-1(91)). Further, falsification of public documents is a violation of 18 United States Code (U.S.C.) 1001. A contracting officer who is faced with this situation should immediately consult the SJA.

Chapter 4

Methods of Small Purchase

4-1. Generalizations

a. Small purchases (i.e., those for supplies, nonpersonal services and construction, the aggregate amount of which does not exceed \$25,000) are usually the greatest volume of work in an installation contracting office. The same will likely be true in any contingency contracting situation. The procedure for making small purchases is covered in FAR, DFARS and AFARS Part 13. Familiarity with this part of the regulations will provide greater immediate benefits than most other parts. Generally, if the logistical supply system back to the CONUS is working responsively, few contingency contracts exceeding \$25,000 should need to be created. Requirements exceeding \$25,000 should, however, never be broken in order to permit the use of small purchases.

b. There are four methods of making a small purchase: (1) SF 44, Purchase Order - Invoice - Voucher, (2) Imprest Fund, (3) Purchase Orders and (4) Blanket Purchase Agreement (BPA). Each of these methods has a specific dollar threshold limitation on its use. Except for purchase orders, that threshold is less than \$25,000. However, the first method, the SF 44, will probably satisfy the majority of the small purchases requirements and will accordingly be treated in greater detail than the others.

c. Small purchases not exceeding \$1,000 may be made without securing competitive quotations if the contracting officer considers the prices to be reasonable. Competitive quotations shall be sought on requirements over \$1,000 but not in excess of \$25,000, unless the contracting officer determines

that only one source is reasonably available, in which case the solicitation may be limited to that source. The number of quotations sought should be what the contracting officer considers reasonable and practicable under the circumstances. (Note: Small purchases are an exception to the full and open competition requirements of FAR Part 6.)

d. Small purchase quotations should generally be solicited orally, except that written solicitations shall be used for construction contracts over \$2000. However, if an order is placed based on the oral quotation received, not only must the order be written, but the file folder should contain handwritten notations informally recording basic information such as: prices quoted, discounts, vendor's name, location, date, etc. This practice is particularly useful when competition is being sought prior to placing an order.

e. For reasons of security, the host nation may limit or restrict the number of vendors who may contract with the United States. Any such limitations by the host nation should be recorded in a memorandum for record (MFR) and placed in the file folder.

4-2. SF 44, Purchase Order-Invoice-Voucher (FAR 13.505-3)

a. The SF 44, Purchase Order-Invoice-Voucher, is a pocket-size purchase order form designed for on-the-spot, over-the-counter purchases of supplies and nonpersonal services while away from the purchasing office or at isolated activities. As the title implies, it is a multipurpose form that can be used as a purchase order, receiving report, invoice, and public voucher.

b. The SF 44 may be used if all of the conditions at FAR and DFARS 13.505-3(b) are satisfied. The four conditions are:

(1) The amount of the purchase may not exceed \$2,500, except for aviation fuel and oil purchases which may not exceed \$10,000. (AFARS limits ordering officers to purchases not exceeding \$1000.)

(2) The supplies or services must be immediately available.

(3) Only one delivery and one payment will be made.

(4) This method must be determined to be more economical and efficient than use of other small purchase methods.

The contracting officer or designated ordering officer will determine if the conditions have been satisfied. If these conditions have not been satisfied, another more appropriate method must be selected.

c. Before making any purchases using the SF 44, the instructions on the second page of the order booklet should be read. Entries will be typed, or printed with ballpoint pen. Paragraphs (1)...(20) below correspond with those in Figure 4-1, and are provided as instructions on how the SF 44 should be completed.

(1) Enter the date prepared.

(2) Enter the order number. The number identifying the purchase transaction shall run in sequence. Since the SF 44 is used in booklets of fifty, the ordering officer should use a "block" of fifty PII numbers provided by the contracting officer. This will allow the contracting officer to better monitor and account for ordering officer transactions.

(3) In addition to the seller's name and address, if the purchase was the result of a competitive quotation, enter a "C" in the upper right hand corner or "NC" if a non-competitive quotation.

(4) Enter the name and address of the using unit.

U.S. GOVERNMENT

PURCHASE ORDER—INVOICE—VOUCHER

Anyone who finds this booklet, please notify:

OFFICE:

TELEPHONE NUMBER:

NBN 7540-01-152-8068
PREVIOUS EDITION USABLE
66-108

STANDARD FORM 44 (Rev. 10-63)
PRESCRIBED BY GSA
FAR (48 CFR) 53.213(c)

Figure 4-1. Sample of a SF 44, Purchase Order-Invoice-Voucher

INSTRUCTIONS

(This form is for official Government use only)

1. Filling in the Form

(a) All copies of the form must be legible. To insure legibility, indelible pencil or ball-point pen should be used. SELLER'S NAME AND ADDRESS MUST BE PRINTED.

(b) Items ordered will be individually listed. General descriptions such as "hardware" are not acceptable. Show discount terms.

(c) Enter project reference or other identifying description in space captioned "PURPOSE." Also, enter proper accounting information, if known.

2. Distributing Copies

Copy No. 1—Give to seller for use as the invoice or as an attachment to his commercial invoice.

Copy No. 2—Give to seller for use as a record of the order.

Copy No. 3—

(1) On over-the-counter transactions where delivery has been made, complete receiving report section and forward this copy to the proper administrative office.

(2) On other than completed over-the-counter transactions, forward this copy to location specified for delivery. (Upon delivery, receiving report section is to be completed and this copy then forwarded to the proper administrative office.)

Copy No. 4—Retain in the book, unless otherwise instructed.

3. When Paying Cash at Time of Purchase

(a) Enter the amount of cash paid and obtain seller's signature in the space provided in the Seller section of Copy No. 1. If seller prefers to provide a commercial cash receipt, attach it to Copy No. 1 and check the "paid in cash" block at the bottom of the form.

(b) Distribution of copies when payment is by cash is the same as described above, except that Copy No. 1 is retained by Government representative when cash payment is made. Copy No. 1 is used thereafter in accordance with agency instructions pertaining to handling receipts for cash payment.

U.S. GOVERNMENT			
PURCHASE ORDER—INVOICE—VOUCHER			
DATE OF ORDER	(1)	ORDER NO.	(2)
SELLER NAME AND ADDRESS OF SELLER (Number, Street, City, and State)			
(3)			
FURNISH SUPPLIES OR SERVICES TO (Number and address)			
(4)			
SUPPLIES OR SERVICES	QUANTITY	UNIT PRICE	AMOUNT
(5)	(6)	(7)	(8)
AGENCY NAME AND BILLING ADDRESS		TOTAL (9)	
(12)		DISCOUNT TERMS (10)	
		DATE INVOICE RECEIVED (11)	
ORDERED BY (Signature and title)			
(13)			
PURPOSE AND ACCOUNTING DATA			
(14)			
PURCHASER—To sign below for over-the-counter delivery of items			
RECEIVED BY (15)			
TITLE (16)		DATE (17)	
SELLER—Please read instructions on Copy 2			
<input type="checkbox"/> PAYMENT RECEIVED \$		<input type="checkbox"/> PAYMENT REQUESTED \$	
NO FURTHER INVOICE NEED BE SUBMITTED (18)			
SELLER		DATE	
BY (Signature)			
I certify that this account is correct and proper for payment in the amount of \$		DIFFERENCES	
		(19)	
ACCOUNT NUMBER		CORRECT FOR	
(Authorized Government official)		BY	
PAID BY <input type="checkbox"/> CASH		DATE PAID	
OR (Check No.)		VOUCHER NO.	
ZIP CODE		1. SELLER'S INVOICE	
		STANDARD FORM 44 (Rev. 10-65)	
		PRESCRIBED BY GSA	
		FPMR (48 CFR) 53.11200	

Figure 4-1. Sample of a SF 44, Purchase Order-Invoice-Voucher-continued

U.S. GOVERNMENT			
PURCHASE ORDER—INVOICE—VOUCHER			
DATE OF ORDER <div>(1)</div>	ORDER NO. <div>(2)</div>		
PRINT NAME AND ADDRESS OF SELLER (Number Street City and State) <div>(3)</div>			
FURNISH SUPPLIES OR SERVICES TO (Name and address) <div>(4)</div>			
SUPPLIES OR SERVICES <div>(5)</div>	QUANTITY <div>(6)</div>	UNIT PRICE <div>(7)</div>	AMOUNT <div>(8)</div>
AGENCY NAME AND BILLING ADDRESS* <div>(12)</div>			
		TOTAL DISCOUNT TERMS DATE INVOICE RECEIVED <div>(10) DAYS</div>	<div>(9)</div>
ORDERED BY (Signature and title) <div>(13)</div>			
PURPOSE AND ACCOUNTING DATA <div>(14)</div>			
PURCHASER—to sign below for over-the-counter delivery of items			
RECEIVED BY <div>(15)</div>		DATE <div>(17)</div>	
TITLE <div>(16)</div>			
SELLER—Please read instructions on Copy 2			
<input type="checkbox"/> PAYMENT RECEIVED \$.....		<input type="checkbox"/> PAYMENT REQUESTED \$.....	
NO FURTHER INVOICE NEED BE SUBMITTED <div>(18)</div>			
BY (Signature)		DATE	
INSTRUCTIONS TO SELLER			
After satisfactory identification of the Government representative presenting this purchase order verify the itemization, including quantity unit price amount total and discount sections.			
This form is so designed that Copy 1 may be used as a cash payment receipt or as your invoice by completing, as appropriate, either the Payment Received or Payment Request blocks and signing the Seller Section.			
If you would rather submit your own invoice DO NOT SIGN COPY 1 but attach it unopened to your invoice to expedite verification and processing for payment.			
STANDARD FORM 646 (Rev. 10-63) PRESCRIBED BY GSA FAR (48 CFR) 53.213(c)			

U.S. GOVERNMENT			
PURCHASE ORDER—INVOICE—VOUCHER			
DATE OF ORDER <div>(1)</div>	ORDER NO. <div>(2)</div>		
PRINT NAME AND ADDRESS OF SELLER (Number Street City and State) <div>(3)</div>			
FURNISH SUPPLIES OR SERVICES TO (Name and address) <div>(4)</div>			
SUPPLIES OR SERVICES <div>(5)</div>	QUANTITY <div>(6)</div>	UNIT PRICE <div>(7)</div>	AMOUNT <div>(8)</div>
AGENCY NAME AND BILLING ADDRESS* <div>(12)</div>			
		TOTAL DISCOUNT TERMS DATE INVOICE RECEIVED <div>(10) DAYS</div>	<div>(9)</div>
ORDERED BY (Signature and title) <div>(13)</div>			
PURPOSE AND ACCOUNTING DATA <div>(14)</div>			
PURCHASER—to sign below for over-the-counter delivery of items			
RECEIVED BY <div>(15)</div>		DATE <div>(17)</div>	
TITLE <div>(16)</div>			
SELLER—Please read instructions on Copy 2			
<input type="checkbox"/> PAYMENT RECEIVED \$.....		<input type="checkbox"/> PAYMENT REQUESTED \$.....	
NO FURTHER INVOICE NEED BE SUBMITTED <div>(18)</div>			
BY (Signature)		DATE	
REMARKS			
DIFFERENCES			
ACCOUNT VERIFIED			
CORRECT FOR <div>(19)</div>			
BY			
STANDARD FORM 646 (Rev. 10-63) PRESCRIBED BY GSA FAR (48 CFR) 53.213(c)			

2. SELLER'S COPY OF ORDER

3. RECEIVING REPORT—ACCOUNTING COPY

Figure 4-1. Sample of a SF 44, Purchase Order-Invoice-Voucher-continued

Figure 4-1. Sample of a SF 44, Purchase Order-Invoice-Voucher-continued

(5) Items ordered should be individually listed and include sufficient nomenclature for proper identification. If the form does not have sufficient space to list all items, additional items may be continued on a separate sheet of paper in the same number of copies as the SF 44 (i.e., use carbon sets to make the number of copies needed).

(6) thru (9) Entries here are self-explanatory. The quantity times the unit price shall always equal the amount. Make sure that the price charged is for the unit of measure. Also check to make sure the total is correct. Purchases in the United States, its territories and Puerto Rico will be in U.S. dollars. Purchases made in other areas shall generally be in the local currency. DFARS 25.7602(c) covers the use of U.S.-owned foreign currency for making payments on small purchases. The requirement is that "...to the extent feasible within the criteria in 25.7606, shall require quotations to be stated only in the U.S.-owned foreign currency of that country." DFARS 25.7606 explains the criteria which would allow the use of U.S. dollars.

(10) Enter the discount terms. Some businesses will offer discount for cash payment or within a few days after delivery but you have to ask to get it.

(11) Enter the date invoice received. This date will normally be the same as paragraph (1).

(12) Enter the complete name and billing address for the unit/organization which is making this purchase (your unit/organization).

(13) Enter the signature and title of ordering officer or contracting officer.

(14) Enter project reference or other identifying description and the proper accounting information.

(15) thru (17) Receipt of supplies shall be accomplished by having the individual authorized to accept supplies/services sign in the block titled "Received By." Title and date should also be entered.

(18) If the supplier is paid at the time of delivery, check the box for "payment received," and have the supplier sign and date this form. If the supplier is not paid at the time of delivery, check the box for "payment requested" and have the supplier sign and date this form. If a Class A agent is present, this part of the form should be completed by the seller and the Class A agent.

(19) The remainder of the form is the responsibility of the Theater/Corps Finance Group.

(20) Record all purchases on the inside of the back cover of the SF 44. Provide the order number or PII number, the name of the contractor, date of the purchase and the total amount of the purchase. Be sure to periodically verify all extensions and totals so that mathematical errors do not result in the monetary authority or available funds being exceeded.

d. Distribution of the SF 44 will be made by the ordering officer or contracting officer. Copies 1 and 3 will be retained by the Class A agent to support his payments or in the absence of a Class A agent, they will be turned over to the Theater/Corps Finance Group. Copy 2 will be retained by the seller. Copy 4 will be retained by the ordering officer and as soon as possible turned over to the contracting officer who, using the assigned PII numbers, will place the completed transactions in a suitably marked file folder. Completed transactions and closed-out contracts (see paragraph 10-5) should be sent to the sponsoring activity's Directorate of Contracting approximately every ninety days or at the end of the deployment, whichever occurs first.

4-3. Imprest fund (DFARS 13.402)

a. The second method of making a small purchase which can be accomplished by an ordering officer is making purchases using imprest funds. While an imprest fund purchase is limited to very small (not to exceed \$500 per Acquisition Letter 86-8) purchases, there will be occasions on deployment when it would be appropriate.

b. The decision to have an imprest fund belongs to the "commanders of installations and of activities with purchasing authority..." For deployment purposes, the commander will make both the decision to have an imprest fund and appoint the necessary imprest fund cashier. The contracting officer, under whose immediate control the imprest fund cashier will serve, may be asked to provide nominations. In accordance with AR 37-103-1, Finance and Accounting for Installations: Imprest Funds, paragraph 7, the cashier is appointed when the appointing documents, which may be special orders, letter orders, disposition forms, or other locally approved forms have been completed. Copies should go to the cashier (2 copies), the Theater/Corps Finance Group and the contracting officer.

c. The size of the fund and its authorized uses are explained in detail in AR 37-103-1 and DFARS 13.402. The Theater/Corps Finance Group must provide each imprest fund cashier with both written and oral instructions at the time of appointment. Further, the Finance and Accounting Officer (FAO) will provide each cashier (primary and alternate) with a Standard Operating Procedure (SOP). That SOP shall be reviewed annually to assure currency of content. Questions of doubtful legality concerning imprest fund payments made, or to be made, will be resolved by the FAO according to AR 37-103-1, paragraph 14b. If a legal opinion is needed the SJA should be consulted. The

contracting officer's concern is that the cashier be sufficiently familiar with procurement policies so as not to create irregular procurements or, worse, a fraud.

d. There is an important distinction between ordering officers appointed pursuant to AFARS 1.698 to make purchases using imprest funds, and imprest fund cashiers. At no time shall imprest fund cashiers be appointed ordering officers, nor shall they be authorized to make purchases using imprest funds. That the contracting officer may be "short handed" during deployment and the imprest fund cashier may want to "help out" is no excuse to waive important checks and balances. The cashier must not be used as a buyer under any conditions. Imprest fund fraud can result if blank or canceled purchase requests are obtained by the cashier and used to create the illusion of legitimate transactions. For the same reason, the imprest fund cashier must not be allowed to keep duplicate receipt documents.

e. The ideal way of doing business under deployment conditions would be for the contracting officer or ordering officer to be able to telephone a local vendor and direct delivery of material to a destination on a C.O.D. basis. Under deployment conditions this probably will not happen. Frequently, the imprest fund cashier will be required to make an advance of funds to the ordering officer to make the proposed purchase.

f. The ordering officer (or other authorized individual) designated by the contracting officer to pick up material is given a cash advance by the imprest fund cashier. In accordance with DFARS 13.405(b), the individual receiving the cash advance shall sign the "Interim Receipt for Cash" portion of Standard Form 1165, or an equivalent receipt form. The entries should be printed with

RECEIPT FOR CASH—SUBVOUCHER		Supvoucher No. (2) _____
(To be used when invoice is not available)		Date _____
Received in cash from (3) _____		
and \$ _____ (4) _____ for the following:		
QUANTITY	ARTICLES OR SERVICES	AMOUNT
	(4) _____	
Vendor (5) _____	By _____ (8) _____	
Address _____	Title _____	
PURPOSE (Project, etc.) _____		APPROPRIATION AND ACCOUNTING CLASSIFICATION _____
(6) _____		(7) _____

INTERIM RECEIPT FOR CASH

DATE (1) _____

Received of Imprest Fund Cashier \$ _____ for which I hold myself accountable to the United States.

(Signature) _____

NOTE TO SIGNER
Be sure this receipt is marked "VOID" and returned to you when the transaction is completed or the funds returned to the Cashier.

Figure 4-2. Sample of a Receipt for Cash-Subvoucher

a ballpoint pen. Paragraphs (1)...(8) below correspond with those in Figure 4-2, and are provided as instructions on how the receipt for cash should be completed.

(1) This section of SF 1165 is called "Interim Receipt for Cash." As the ordering officer or other requisitioner, enter the date the advance is received and the amount of imprest funds received. The amount should be written in numerals. Sign the Interim Receipt for Cash when the cash is actually received from the imprest fund cashier. You should obtain a sales or receipt document from the vendor to include the following:

- (a) the date of payment;
- (b) the amount paid;
- (c) a statement that cash payment was received in full; and
- (d) the signature and title of the supplier or his agent who

received the cash payment.

If this is done, there is no need for the Receipt for Cash-Subvoucher of the SF 1165. However, if you do not obtain a suitable sales or receipt document, the Receipt for Cash-Subvoucher must be completed.

(2) Enter the subvoucher number, to designate which subvoucher this is, and today's date.

(3) Next to "Received in Cash From" enter "Imprest Fund." Complete the amount of payment in both words and numerals.

(4) Individually list the supplies or services purchased with the money. Enter the appropriate quantity and cost per item in the columns as indicated. Assure sure these supplies or services, and quantities are the same as those on the purchase request.

(5) Enter the complete name and address of the vendor.

(6) Sign in the block entitled "Purpose."

(7) Enter the appropriation and accounting classification for this purchase.

(8) Have the supplier (vendor) sign here when you receive the goods or services and pay for them. The job title of the supplier should be entered below the signature. (If the total purchase is \$15 or less, you can sign in lieu of the vendor.)

g. The ordering officer or requisitioner, after the purchase has been made, will return any unused cash to the imprest fund cashier, along with the aforementioned sales or receipt document, at which time the imprest fund cashier shall mark the Interim Receipt for Cash "void" and return it to the ordering officer or requisitioner.

h. The imprest fund shall be reimbursed not less often than monthly, by the imprest fund cashier, who will prepare a Standard Form 1129 (Reimbursement Voucher) supported by the cashier's subvouchers. While guidance for this can be found at DFARS 13.405(f), the FAO can and should provide more specific guidance.

i. Recordkeeping should be as simple as possible consistent with the maintenance of adequate controls. Registers, while helpful, are not necessary. What is necessary is that the cash on hand, plus the paid supplier's receipts, plus the interim receipts for cash equal the dollar value at which the fund was established. (No fund will exceed \$5,000.)

4-4. Purchase Orders (DFARS 13.505-2(73)(2))

a. Purchase orders are self-contained, one time contracts which typically result in one delivery and one payment. While the term purchase order is equally applicable to SF 44s mentioned in paragraph 3-2, for the purposes of this discussion the focus will be on the use of the DD Form 1155, Order for

Supplies or Services/Request for Quotations and its companion, the DD Form 1155r-1, Reverse of Order for Supplies or Service/Request for Quotations - Foreign.

b. When used as a purchase order outside the United States, its possessions and Puerto Rico, the DD Forms 1155 and 1155r-1 are authorized for negotiated purchases of not more than \$25,000, provided the procurement is unclassified.

c. The clauses set forth in the DD Form 1155r-1 are considered adequate for all purchases outside the United States, its possessions and Puerto Rico. Accordingly no other clauses will be included, except when appropriate, for the following clauses:

(1) The Disputes clause at FAR 52.233-1 will be inserted in the schedule since the DD Form 1155r-1 has no Dispute clause. Use of alternate I to subparagraph (h) of the clause is recommended.

(2) If the purchase order is translated into another language, the schedule shall contain the provision in DFARS 52.213-7000.

(3) When government property having an acquisition cost in excess of \$50,000 is to be furnished (for either use in performance of an order or for repair), the Government Property clause in FAR 52.245-2 shall be inserted in the schedule. If the property to be furnished is not in excess of \$50,000, the clause in FAR 52.245-4 shall be inserted. However, if the acquisition cost of the property furnished for repair is not in excess of \$10,000, use of the clause is optional. If either property clause is used, the contractor's signature shall be obtained on the DD Form 1155r-1.

(4) A commercial warranty clause may be inserted if available.

(5) The clause, Delivery of Excess Quantities of \$100 or less, at FAR 52.212-10 may be inserted in supply purchase orders.

(6) The clause, Notification of Visa Denial, at FAR 52.222-29, shall be included in all orders, unless the contractor employees are not recruited within the United States.

(7) The clause, Identification of Expenditures in the United States, at DFARS 52.225-7004 should be placed on the face of the purchase order.

(8) All small purchases and contracts of \$10,000 or more shall include the clause, Preference for Certain Domestic Commodities, at DFARS 52.225-7009.

(9) All purchases in excess of \$2,500 for supplies, services or construction shall include the clause, Certain Communist Areas, FAR 52.225-11 in the schedule. FAR 25.603 and DFARS 13.505-2(73)(2)(ii)(E) provide that such supplies may only be acquired in unusual situations; for example, in an emergency or when supplies are not available from any other source and a substitute supply is not acceptable. The contracting officer shall make the determination of nonavailability for small purchases. For other purchases, AFARS 25.703(b) requires referral to the cognizant Head of Contracting Activity.

d. When preparing the DD Form 1155 as a purchase order, in addition to including the DD Form 1155r-1 and when appropriate, the clauses in paragraph 3-4c, the following information will be inserted by the contracting officer. Entries will be typed, or printed with ballpoint pen. Paragraphs (1)...(23) below correspond with those in Figure 4-3, and are provided as instructions for completing the DD Form 1155. (Differences between these instructions and the guidance in DFARS 13.505-70 are intended to reflect the need for flexibility in form preparation for contingency contracting purposes.)

- (1) Check whether intended as an order or request for quotation.
- (2) Enter the Procurement Instrument Identification (PII) number.

(3) Enter the date of the order.

(4) Enter Requisition/Purchase Request Number.

(5) Insert the name and address of the issuing office to include the buyer's name and phone number.

(6) Enter the name and address of the organization responsible for contract administration. If it is the purchase office, insert the statement "see Block 6."

(7) Indicate the Free on Board (FOB) point by checking the applicable box. (For example, if the Government must pick up the supplies, check "other").

(8) Enter the full business name and address of the contractor or quoter. Disregard the code blocks.

(9) If a single delivery date is applicable, enter it. If multiple delivery dates are applicable, enter "See Schedule" and list delivery dates in the schedule.

(10) Enter discount for prompt payment in terms of percentages. (For example: 3 percent discount for payment in 20 days would be written as 3%--20 days.)

(11) If one of the previous blocks contained the address to mail the invoice to, refer to that block number. Otherwise insert "See Schedule."

(12) If a single ship to point is applicable, enter it here. If multiple ship to points are used, insert "See Schedule."

(13) Enter the name and address of the activity making payment.

(14) Check the block that indicates this is a purchase order. In the next block indicate the type of quotation, i.e., oral or written. If you want the contractor to accept the purchase order, check the last block and indicate the number of copies to be returned.

DD Form 1155: Order for Supplies or Services/Request for Quotations.

CHECKED FOR SUPPLIES		<input type="checkbox"/> ORDER FOR SUPPLIES OR SERVICES (1)		<input type="checkbox"/> REQUEST FOR QUOTATIONS NO RETURN OFFICES OF THE QUOTE BY (THIS IS NOT AN ORDER See DD Form 1155P)		Page 1 of 1	
1 CONTRACT/PURCH ORDER NO (2)		2 DELIVERY ORDER NO		3 DATE OF ORDER (3)		4 REQUEST CONTRACT REQUEST NO (4)	
5 ORDER BY (5)		6 ADMINISTERED BY (If other than 5) (6)		7 DELIVERY CODE <input type="checkbox"/> DELV (7) <input type="checkbox"/> OTHER		8 DELIVERY CODE	
9 CONTRACTOR/BUYER (8)		10 FACILITY CODE		11 DELIVER TO ADDRESS BY (9)		12 CHECK IF BUSINESS <input type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISADVANTAGE <input type="checkbox"/> WOMEN-OWNED	
13 MAIL ADDRESS TO (10)		14 PAYMENT WILL BE MADE BY (11)		15 MAIL ADDRESS TO (11)		16 ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER PLACED	
17 SHIP TO (12)		18 PAYMENT WILL BE MADE BY (13)		19		20	
21 DELIVERY		This delivery order is subject to regulations contained on this side of form only and is issued on neither Government agency or to contractor with and subject to terms and conditions of prime numbered contract					
22 PURCHASE		Reference your					
23		Forward the following on terms specified herein, including for U.S. products.					
24		Contract Provisions of Purchase Order as DD Form 1155P (EXCEPT CLAUSE NO 12 APPLIES ONLY IF THIS BOX <input type="checkbox"/> IS CHECKED, AND NO. 14 IF THIS BOX <input type="checkbox"/> IS CHECKED) special provisions					
25		10 USC 2304a(5) or as specified in the schedule of contract or U.S. to provisions or Puerto Rico. If otherwise order 2304a(5).					
26		If checked, Additional General Provisions apply. Supplier shall sign "Assurance" on DD Form 1155P and return.					
27		17 ACCOUNTING AND APPROPRIATION DATA/LOCAL USE (15)					
28 ITEM NO	29 SCHEDULE OF SUPPLIES/SERVICES	30 QUANTITY ORDERED/ACCEPTED	31 UNIT	32 UNIT PRICE	33 AMOUNT		
(16)	(17)	(18)	(19)	(20)	(21)		
34 If quantity ordered by the Government is done in quantity ordered, indicate by ✓ each. If delivered, enter actual quantity accepted below. Quantity ordered and received.		35 UNITED STATES OF AMERICA BY (22)		36 CONTRACTING/ORDERING OFFICER		37 TOTAL	
38 QUANTITY IN COLUMN 29 HAS BEEN <input type="checkbox"/> INSPECTED <input type="checkbox"/> RECEIVED <input type="checkbox"/> ACCEPTED AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED		39 SHIP NO		40 D.O. VOUCHER NO		41 SUPPLIER ORDER	
42 DATE SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE		43 PARTIAL <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		44 PAID BY		45 AMOUNT VERIFIED CORRECT FOR	
46 I certify the amount is correct and agree to pay thereon DATE SIGNATURE AND TITLE OF CERTIFYING OFFICER		47 PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL		48 CHECK NUMBER		49 BILL OF LADING NO	
49 RECEIVED BY	50 RECEIVED BY	51 DATE RECEIVED	52 TOTAL CONTAINERS	53 B/R ACCOUNT NUMBER	54 B/R VOUCHER NO		

DD FORM 1155 PREVIOUS EDITIONS ARE OBSOLETE

Figure 4-3. Sample of DD Form 1155, Order for Supplies for Services/Request for Quotations

[illegible]

42

(15) Enter the accounting classification applicable to the order. If more than one accounting classification is applicable, indicate in the schedule which accounting classification is applicable to which line item.

(16) Enter an item number for each item of supply or service separately identified. (The first line item should be 0001, next 0002, etc.) For each subline item, add a two letter suffix to the line item number. (The first subline item to the first line item would be 0001AA. The second subline item to the first line item would be 0001AB, etc.) (The letters "I" and "O" shall not be used.)

(17) Enter the most descriptive noun or verb of the supplies or services to be furnished followed by additional words as necessary to complete the description. A national stock number (NSN) should be included if available. Indicate if any quantity variance is allowed by a plus or minus percentage. Also indicate the point at which inspection/acceptance will take place.

(18) Enter the total quantity ordered for each line item or if these are subline items for each subline item.

(19) Enter the unit of measure.

(20) Enter the unit price per line item or subline item.

(21) Enter the extended dollar amount (quantity x unit price) for each line item.

(22) Enter your signature. The copies of the DD Form 1155 are then distributed as follows: Copies 1, 2, 5 and 6 go to the Theater/Corps Finance Group; Copy 3 goes to the contractor; Copy 4 stays in the contract file. The remaining copies (7, 8, 9 and 10) go to the customer. (Note: this distribution is only one possibility and can be altered.)

(23) The remaining blocks are the responsibility of those performing the receiving and payment functions. Guidance for completion of these blocks is contained in AFARS 13.505-70 and AR 37-107. Upon receipt of the supplies/services, the customer will complete the appropriate blocks, sending copy 9 to the contingency contracting officer and copy 8 to the Theater/Corps Finance Group. The Theater/Corps Finance Group will then either send copy 5 or a SF 1034A, Public Voucher For Purchases and Services Other Than Personal, to the contingency contracting officer.

e. A file folder with PII number matching the purchase order will be established. The file will contain the purchase request, the fourth copy of the DD Form 1155, any memo for the record, any modifications (SF 30) and related information. Following receipt and payment, copies 5 and 9 will be included in the file. A completed SF 1034A however may be used in lieu of copy 5.

4-5. Blanket Purchase Agreements (FAR, DFARS and AFARS 13.2)

a. The Blanket Purchase Agreement (BPA) is a method of small purchase which allows the Government to establish what amounts to a charge account with more than one vendor for the purchase of repetitive needs. A common example would be a BPA for hardware or plumbing supplies. The writing of a BPA requires a DD Form 1155 and DD Form 1155r-1 to be completed much like the purchase order described in paragraph 4-4, except the schedule will not order anything. It will refer to the document as a BPA and state the general class of supplies which may be ordered under the BPA. The clauses previously referenced in paragraph 4-4 should be included.

b. Once a BPA is established, the contracting officer must control/limit the number of individuals authorized to place calls against the BPA and limit all authorized individuals to \$1,000 per AFARS 13.201(92)(2), except those supervised by the contracting officer. The contractor or BPA holder must authorize a person or persons as a point of contact for BPA calls.

c. A register should be prepared for each BPA and each call/order issued should have a control number assigned sequentially. Additionally the register should include the vendor's name, the date the call/order was placed, the requisition or purchase request number, a brief description and the total dollar value of the purchase. If the call/order was first placed by telephone, the confirming DD Form 1155 issued later should be marked

d. Notwithstanding the potential advantages of BPA purchases in terms of manhours saved and the volume of purchases that can be made quickly, it is doubtful if a BPA can be made to "work" under deployment contracting officer/authorized callers need to have a dependable telephone system unless they are physically located close together. Additionally there should be enough historical data to justify a BNA in the first place. Such data will probably not be available until the end of the deployment, unless there are historical data available from previous United States military exercises in the area of the contingency deployment.

Chapter 5

Large Purchases

5-1. General

As previously addressed in Chapter 4, most contingency contracting requirements will require only small purchase procedures. However, because of the unpredictable nature of logistical requirements in a deployment, the contingency contracting officer may be required to create contracts over \$25,000. Such large purchases will tax the limited resources of the contingency contracting officer, who can expect little or no help to accomplish the task. In consideration of this difficulty, the contents of this chapter have focused on valid "abbreviated procedures" and selected types of contracts that would allow the contracting officer to contract as quickly and effectively as possible. The key to successful contingency contracting is documenting and making maximum utilization of regulatory exceptions.

5-2. Competition and oral solicitations.

a. In deployments there is not time for sealed bidding, so large purchases will be negotiated in accordance with FAR, DFARS and AFARS Part 15. While the time necessary to make a large purchase would normally be greater than to making a small purchase, there are exceptions available to "speed up" the process. Two normal requirements which can slow the creation of large contracts are: (1) the need for full and open competition and (2) the need for a written solicitation. Exceptions to these requirements can be found in FAR and DFARS Section 6 and 15 respectively.

b. The contracting officer need not seek full and open competition if FAR and DFARS 6.302-2 applies. This cite allows negotiating because of "...an unusual and compelling urgency that the Government would be seriously injured unless the agency is permitted to limit the number of sources..." In a similar tone, DFARS 6.302-2(b)(6) permits the use of "other than full and open competition" if the purchase request cites UMMIPS 01 through 04. To prevent abuse of the UMMIPS system, DFARS 6.303-1(b)(70) requires supporting recommendations by requirements personnel to be reviewed and approved at an appropriate management level prior to submission to the contracting officer. The G-4/S-4 should assume responsibility for making such reviews and approvals during the validation process before the purchase request is submitted (See paragraph 2-4).

c. The second delaying factor, the need for a written solicitation, can be avoided by the use of an oral solicitation, if the deviation is justified. FAR 15.402(f) permits oral solicitations for perishable subsistence. For other supplies and services, an oral solicitation may be used when a written solicitation would delay the acquisition of supplies and services to the detriment of the Government. One should keep in mind that the contracting officer is still expected to comply with all other regulatory requirements, including documentation requirements. The contract file shall include:

- (1) a justification for use of an oral solicitation;
- (2) item description, quantity, and delivery schedule;
- (3) sources solicited, including the date, time, name of individual contacted, and prices quoted; and
- (4) the solicitation number provided to the prospective contractors.

According to DFARS 15.402(f), the examples listed at FAR 6.302-1 are circumstances under which an oral solicitation may be used. The same DFARS cite, however, does not consider a high UMMIPS priority as sole justification for the use of an oral solicitation. Accordingly, the contracting officer's documentation needs to provide sufficient rationale, not just a reference to the UMMIPS.

d. Once the contracting officer completes the oral solicitation and determines who shall receive the award, a contract needs to be prepared for the contractor's signature as quickly as possible. Any undue delay requires a further explanation in the contract file per DFARS 15.402(f) describing the reasons for the delay. If the contracting officer had the foresight to obtain some sample contract formats for the contingency contracting kit (see paragraph 6-3e), this process will be greatly facilitated. What is needed are the pre-printed pages that most offices have, where one only fills in the blanks and adds or deletes clauses as appropriate. The clauses mentioned at paragraph 4-4c should be reviewed to see how many apply to the large purchase in question. Additional required clauses will be determined by the contract dollar value and the type of contract selected (the clauses in FAR, DFARS and AFARS Part 52 should be reviewed for applicability).

5-3. Selection of a contract type (FAR, DFARS and AFARS Part 16)

The type of contract selected will determine both the clauses to be included and the degree of risk accepted by the Government. The contracting officer must be equitable in sharing risk, since to do otherwise would pose a danger to that part of the mission which is contract dependent. The attainment of risk equity in a static peacetime situation is difficult enough; during deployment it will be more so because projected customer needs may easily be

understated or overstated. Often times deployment needs will change day-by-day. The contract type in such cases must compensate as much as possible for the customer's inability to accurately plan.

5-4. Letter contracts (FAR, DFARS and AFARS 16.603)

a. The quickest way to get a contractor working (other than, if permissible, oral solicitations) is to award a letter contract. Letter contracts (FAR 16.603-1) are written preliminary contractual instruments that authorize the contractor to begin work immediately. FAR 16.603-2(a) stipulates that letter contracts are only used when the Government's interests demand that (1) the contractor be given a binding commitment so that work can start immediately and (2) there is not sufficient time to negotiate a definitive contract. Despite these conditions, the letter contract should still be as complete and definite as circumstances will permit.

b. Before a letter contract may be used, the Head of the Contracting Activity or designee must execute a determination and findings that no other contract is suitable.

c. Letter contracts shall not:

(1) commit the Government to a definitive contract in excess of the funds available at the time the letter contract is executed;

(2) be entered into without competition when competition is required by FAR Part 6;

(3) be amended to satisfy a new requirement unless it is inseparable from the existing letter contract. Amendments are subject to the same requirements and limitations as a new letter contract.

d. Each letter contract shall include the clause at FAR 52.216-25, Contract Definitization, which requires a negotiated definitization schedule to include: (1) date for submission of the contractor's price proposal,

required cost or pricing data (see FAR and DFARS 15.804), and if required, make-or-buy and subcontracting plans: (2) a date for the start of negotiations: and (3) a target date for definitization, which shall be the earliest date practicable. The schedule will provide for definitization of the letter contract within 180 days after the date of the letter contract or before completion of 40 percent of the work to be performed, whichever occurs first.

e. Maximum Government Liability under the clause at FAR 52.216-24, Limitation of Government Liability, shall not exceed 50 percent of the estimated cost of the definitive contract unless approved in advance by the Head of the Contracting Activity or designee. (See para 9-3 on progress payments.)

f. When definitized, whether executed on a SF 26 or SF 30, the definitized contract will be numbered as a modification to the letter contract.

g. The letter contract will be either the one at AFARS 16.603-90(a) for cost reimbursement type contracts or the one at AFARS 16.603-90(b) for fixed-price type contracts. The form used depends on the type of definitive contract contemplated by the contracting officer. Additionally, the letter contract will include the required clauses according to FAR, DFARS and AFARS, Part 52, for the type of definitive contract contemplated. Clauses 52.216-24, Limitation of Government Liability and 52.216-25, Contract Definitization, as previously mentioned need to be included. If the letter contract is awarded on a SF 26, the clause 52.216-23, Execution and Commencement of Work, may be omitted; otherwise it is required. If a cost-reimbursement contract is contemplated, the clause at 52.216-26, Payments of Allowable Costs Before Definitization, shall be inserted.

h. See paragraph 5-8 regarding unpriced contractual instruments.

5-4. Time-and-materials contracts (FAR and DFARS 16.601)

a. A time-and-materials contract provides for acquiring supplies or services on the basis of: (1) direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit; and (2) materials at cost, including, if appropriate, material handling costs as well.

b. A time-and-material (T&M) contract is one of the least desirable types of contracts because it affords the contractor no positive profit incentive to control the cost of materials or to manage the labor force effectively. Yet this contract type is often the only effective one for repair, maintenance or overhaul work and work to be performed in emergency situations. This type of contract may only be used: (1) after the contracting officer executes a determination and findings that no other contract type is suitable; and (2) when the contract includes a ceiling price, the breach of which is at the contractor's risk. If the ceiling price is subsequently raised, the contracting officer shall document the contract file justifying why.

c. In awarding a time-and-materials contract, the agreed upon hourly rate per direct labor hour is an important source selection factor, but more important is the contractor's management skills and reputation for getting the job done. It is significant to understand that the contractor gets paid for hours and materials expended; accordingly, awarding to a marginal producer may not be wise over the duration of the contract.

d. See paragraph 5-8 regarding unpriced contractual instruments.

5-6. Requirements contracts (FAR and DFARS 16.503)

a. Of the three types of indefinite-delivery contracts: definite quantity, indefinite-quantity, and requirements contracts, the requirements contract is most likely to be of benefit in deployment. It has several advantages:

(1) No money is obligated when a requirements contract is awarded. Money is obligated only when the Government issues a delivery order against the contract. (Delivery orders are prepared on the DD Form 1155 and contain information similar to a purchase order with some minor differences.)

(2) The contract price can be firm fixed price or fixed price with economic price adjustment (FAR 16.102). (The prices agreed-to can be derived from either catalog or market prices (FAR 15.804-3(c)).

(3) The contract is relatively easily canceled compared to most other contracts. Prior to the end of the contract performance period a written notification is sent to the contractor, after which the Government stops issuing delivery orders. The contractor has the burden to prove additional compensation is warranted.

b. Requirements contracts are binding contracts only because of the implicit understanding that the Government promises to place delivery orders under the contract if and when a need covered by the contract occurs. The inclusion of maximum and minimum order quantity limitations is encouraged, so that the contractor is not hurt financially by too small an order quantity or fails to perform on too large an order quantity. These contractual limitations are negotiable, with the result that purchase requests for requirements above or below contractual quantity limitations may not result in delivery orders being placed. Requests for quantities that are too small for a delivery order, or that are too large for a delivery order, depending on dollar value, will be treated as either a separate small or large purchase. The success of the contract depends on reasonableness, and the reasonableness

of the contract depends on the customer's ability to develop realistic estimates of their needs. If the Government estimates used by contractors to base their offers prove later to be erroneous and not based on a reasonably valid method of estimating, the contractor may be entitled to additional compensation. Notwithstanding such problems, requirements contracts have the flexibility needed to support deployments without the financial risk and administrative burden that a cost-reimbursement contract would pose. In short, under a requirements contract, one only orders what one needs, when it is needed and only pays upon acceptance.

c. Ordering officers can be authorized to issue delivery orders against a requirements contract (AFARS 1.698-1(c)(6)); however the contracting officer may wish to limit/withhold that authority in order to better control/monitor the volume of orders placed under the contract.

d. Requirements contracts are typically written for a one year period, based on estimated repetitive needs. Accordingly, supplies and services for which there are repetitive needs should be reviewed to see if a requirements contract might be suitable. One way to determine this is to review the number of small purchases being made for the same items. Another way would be to discuss with the G-4/S-4 projections of future needs.

5-7. Cost-reimbursement contracts (FAR and DFARS 16.404)

There are few contractual requirements that could not be accomplished by a cost-reimbursement contract. The only question is why the contracting officer would want to use one. Cost reimbursement contracts by their nature are highly flexible and would therefore appear to be ideal for a deployment situation. However, a cost-reimbursement contract cannot be awarded to just anybody; the contractor that receives one must have an acceptable accounting system that will allow tracking of allowable costs (i.e. those that are

reasonable and allocable to the contract). Under deployment conditions there may be no way to determine the acceptability of an accounting system. Additionally, cost-reimbursement contracts require the inclusion of an auditing clause which will probably be found unacceptable to foreign contractors. Moreover, obtaining auditing support may not be available. However, if it is still considered desirable to create a cost-reimbursement contract, the contract selected should be cost-plus-award-fee (FAR and DFARS 16.404-2). The cost-plus-award-fee contract is service oriented and provides for the reimbursement of allowable costs, the payment of a base fee and an award fee. Both fees are based on the estimated cost to complete the contract, not actual costs incurred. Since the base fee is essentially fixed, contractor motivation is maintained through the subjective determination of how much award fee the contractor should receive. In any event cost type contracts should be avoided by those with small staffs because of the amount and complexity of contract administration they require. Those who normally deal in fixed price environments will tend to under estimate these difficulties.

5-8. Unpriced Contractual Instruments (AFARS 16.90)

a. Unpriced contractual instruments are those that are not definitively priced prior to the creation of a contractual obligation. Some examples at AFARS 16.9002 include letter contracts, time-and-material contracts, unpriced orders, unilateral change orders and undefinitized contract modifications. All unpriced contractual instruments estimated to exceed \$3 million are required by AFARS 16.9004 to be approved in advance by the Assistant Secretary of the Army Research, Development and Acquisition (ASA RDA). Those below \$3 million shall be approved in advance by the HCA.

b. Requests for approval to issue an unpriced contractual instrument shall include (1) a written statement of urgency as required by AFARS 16.9005 and (2) the contracting officer's findings and determination supporting the use of an unpriced instrument as the only practicable means of achieving the required delivery date. The written statement of urgency must be approved by the senior official (usually a general officer) in the requiring activity prior to being sent to the HCA. The statement should focus on when the requirement was first known to exist and the consequences if the required date is not achieved. (T&M contracts do not require a written statement of urgency.)

Chapter 6

Contingency Contracting Kit

6-1. Planning

One should keep in mind that in a contingency operation, anything forgotten may be difficult to obtain once the area of operation is reached. The deployable contracting officer should, therefore, assemble or obtain a suitable deployment kit. The exact contents should be determined by the contracting officer after being informed of the overall contingency support mission. Most of the kit's contents should be reasonably obtainable from the local contracting office; however, some forms may require an order to a forms distribution point.

6-2. Contracting office responsibility

Contracting offices that anticipate involvement in supporting a contingency contracting deployment should, in the interest of time and responsiveness, take the necessary steps to assemble the listed items described in paragraph 6-3. This would allow the contracting officer designated to support a deployment to pick up the kit upon alert notification rather than spending essential time trying to assemble his/her own.

6-3. The minimum contents of a kit

a. Each kit should include a 90-day supply of contract and cash control forms such as:

- (1) DD Form 1155, Order for Supplies or Services/Request for Quotations

(2) DD Form 1155r-1, Reverse of Order for Supplies or Service/ Request for Quotations-Foreign (Note: This form is often not available, in which case substitute DD Form 1155r, General Provisions.)

(3) Standard Form 26, Award/Contract

(4) Standard Form 36 or Optional Form 336, Continuation Sheet

(5) Standard Form 30, Amendment of Solicitation/Modification of Contract

(6) Standard Form 1409, Abstract of Offers

(7) Standard Form 1419, Abstract of Offers-Construction

(8) Standard Form 44, Purchase Order-Invoice-Voucher

(9) DD Form 1131, Cash Collection Voucher

(10) DA Form 3953, Purchase Request and Commitment

(11) DD Form 1500, Contract Completion Statement

(12) DD Form 1784, Small Purchase Pricing Memorandum

b. A list of authorized Procurement Instrument Identification (PIIs) numbers (DFARS 4.70 - Uniform Procurement Instrument Identification Numbers). These numbers should be provided by a sponsoring support contracting activity, normally the activity where the contracting officer deploys from or is based. If a sponsoring activity provides the numbers, this will greatly aid in the collection of contingency contracting data by facilitating the incorporation of that data into the sponsoring activities files and records. Otherwise the contracting officer must develop and use his/her own numbers, which could complicate data collection at the end of the contingency when the files need to be closed out and transferred to the sponsoring support contracting activity.

c. Catalog(s) with pictures of supplies. Because of possible language barriers as well as the inability of the customer to verbally describe requirements, catalogs with pictures of supplies could be very useful. At a minimum the catalogs should contain pictures of both hardware and construction supplies.

d. Administrative and other supplies such as:

(1) Office supplies (pencils, pens, paper, stapler, staples, carbon paper, folder labels, etc)

(2) Contract file folders (These should be obtained from the sponsoring contracting activity)

(3) Handheld calculators and batteries

(4) Cash box (If an imprest fund cashier will be designated)

(5) Flashlight and batteries

(6) Sample contract formats

(7) Authority to carry sidearm, DA Form 2818, Firearms Authorization. (Sidearm and ammunition to be issued by the unit to be supported in the event of deployment)

(8) SF 1402, Certificate of Appointment, issued by the Head of the Contracting Activity (HCA) or the Principal Assistant Responsible for Contracting (PARC)

e. Currency supply and information. Except where the contingency contracting officer will be accompanied by an imprest fund cashier designated prior to deployment, there is no need for the contingency contracting kit to include cash or U.S. Treasury checks. If an imprest fund cashier is designated prior to deployment, the cash needed to establish the imprest fund will be the responsibility of the cashier, who will draw it immediately prior to actual deployment. Obtaining cash or U.S. Treasury checks is the

responsibility of the Finance and Accounting Office from which the Theater/Corps Finance Group will be drawn. In accordance with the OPLAN, the determination of the amount needed and the identification of banking facilities where U.S. cash and checks can be exchanged for local currency is the responsibility of the designated Finance and Accounting Office. DFARS 25.501(a) requires that offshore contracts with local firms be priced and paid in local currency. Use of U.S. currency requires a Status of Forces agreement providing for payment in U.S. currency.

f. To the extent that the geographic area of deployment can be anticipated, "Area Handbooks" in the DA PAM 550 series should be included. The handbooks provide information on religion, customs, languages, etc., which would be useful in avoiding inadvertently offending the natives. Additional information can be obtained on deployment from the civil affairs officer and the State Department.

6-4. Optional contents of a kit

The kit contents previously mentioned in the above paragraph are considered minimal. Additional items may be added to the kit at the option of the designated contracting officer. For example, including photocopies of the various FAR/DFARS/AFARS cites referred to in this pamphlet might later prove useful.

Chapter 7

Lessons Learned and Other Advice

7-1. Getting set up and locating sources

a. Depending on the extent to which the operations plan has anticipated the need for contractual support, the contracting officer's first contract at the deployment site may be to obtain transportation. The obtainment of transportation is important to successful operations, since vendor deliveries may be difficult to obtain. The contracting "office" should be located near the G4/S4, to facilitate "customer" support.

b. Once the G4/S4 is located, the contracting officer should "call upon" the commanding officer, the G4/S4 and other staff members. This will allow the contracting officer to learn as much as possible about the current situation in terms of logistical needs and to start planning how best to fill them.

c. If the area is inhabited by a non-English speaking population, the services of a guide/interpreter will likely be required. Additionally, phone books and local maps to help locate sources of supply should be an early order of business. If any site survey to locate sources of supply was done earlier, some of this information may already be available. If not, it may be necessary to make site survey trips to gain familiarity and develop a contractor data base for the area. This is important because the more sources of supply that can be located the more likely those supplies can be obtained under reasonable conditions (i.e., quality, timely delivery and a fair and reasonable price).

d. Since most purchases will probably be "cash and carry," the purchasing team may be as large as six members including the contracting officer. In addition to the contracting officer or ordering officer, one will need a guide/interpreter, driver, class A agent to make the cash payments, a representative of the customer who knows what is needed and a guard. Not all of these members will necessarily be members of the U.S. Army. The interpreter and driver may be foreign nationals. The smallest possible team, by combining the functions, would be two; the contracting officer or ordering officer and class A agent. Because of the need to maintain adequate checks and balances, these two functions should not be consolidated.

e. If initial efforts and site surveys to locate suitable sources of supply are unsuccessful, the contracting officer should consider the following:

- (1) The knowledge of the guide/interpreter. Since nepotism laws do not apply in overseas contingency contracting operations, it is possible that the guide/interpreter may know of some friends or relatives which could satisfy the requirement. However, such contracts are potentially suspect and must be scrutinized.

- (2) The knowledge of the U.S. Embassy (if available). Contacts with embassy officials should generally be through the Defense Attache Office. In addition to providing a source list of reputable contractors, the embassy can help with currency conversions and the storage of funds. The Embassy General Services Officer (GSO) is responsible for contracting services in support of the embassy. His/her experience should also be sought, particularly if at some point it becomes necessary to contract with the host country to create a Host Nation Support (HNS) agreement. The embassy is responsible for all incountry contracting in support of United States agencies (including the

Department of Defense) except for military troops under a field commander. For military operations under the control of the Embassy, the GSO would perform the contracting. Cooperation with the GSO will enable the contracting officer to place orders under existing Embassy contracts and reduce the number of new contracts. The GSO can initiate purchases if requested, but DOD contracting regulations and procedures not State Department, will apply. The contracting officer must check with the embassy about treaties and international agreements so that purchases will be in compliance (FAR 25.8). There may be supplies that by agreement can not be locally purchased. Also the GSO should know if there are any special contract clauses required by incountry law. The Embassy interpreter might be used for important negotiations. The interpreter's negotiating skills can be very useful.

(3) Local sources of information. Local government leaders (the mayor for example), local clergy, business associations, and other influential citizens can be of great help. Those who are not in business may know someone who is. Additionally, there is no objection to asking contractors about other sources of supply, or where they subcontract to get their materials.

7-2. Conducting the negotiations

The following instructions are provided for the contracting officer:

a. The best results are achieved through planning and preparation. Contingency negotiations are no exception. The more you know about the product or service required, local practices, the reputation of the person you will be negotiating with, the more likely success is to be achieved. Also, there will never be enough information, so that good business judgment must often suffice.

b. Your objective is not just to create a contract, but to create a contract fair to both the contractor and the Government. The Government does not want to pay too high a price or be an "ugly American" by dealing unfairly with the contractor. The Army needs the cooperation of the business community, so your first negotiation is very important because it will establish both your reputation and the Government's. Your success in dealing with people from different cultures, backgrounds, perspectives and, most importantly, business practices, will weigh heavily in determining negotiation results.

c. Before negotiating, it is advisable to exchange introductions. (Appropriated funds cannot be used to acquire business cards for an individual, but can be used to acquire a unit card with a space to insert a name and other information.) Introduction by an interpreter experienced in local customs will help start negotiations on a cordial basis. First impressions are important. Additionally, the information gained from the introductions (names, addresses, telephone numbers, etc.) is necessary for the contract file. Remember that in many parts of the world it is customary to exchange pleasantries or engage in small talk prior to beginning any business discussions. The next order of business is to communicate the Government's needs, in which case it may be necessary to point to what you want (if it is in sight) or use the picture in the catalog you brought to describe your needs. Only after it is established that the contractor can provide the supplies or services required should price negotiations begin.

d. All negotiations will pose a certain challenge even if conducted entirely in English. Those that must depend on an interpreter may be more lengthy. Keep in mind that with a foreign businessman, negotiation is probably a routine part of his business. The success of which has in part

been influenced by negotiating skills. The fact that you are an American will not make it any easier since Americans have a reputation for having "deep pockets." Accordingly you should be prepared for some give and take. Only in America is the first price quoted a "bottom line" price. When you reject the vendor's first offer as "too high" you can either (1) offer him a price lower than your objective or target price, or (2) just wait for him to quote another price without divulging any part of your position. The latter approach, letting the vendor do most of the talking, may be your best policy. This way you won't talk yourself into something you'll regret. Try not to make the first concession, but if you do, try to condition it upon an appropriate return concession. Additionally, do not give up too much in case it later becomes necessary to make further concessions. Most of all, be patient, try not to rush the process any more than circumstances require. On the other hand, do not allow the negotiations to "drift" or become unreasonably concerned with minor or nonsubstantive issues. If after a reasonable period time, satisfactory progress has not been made, consider terminating or suspending negotiations. This action may produce the needed concessions.

e. If circumstances warrant and the guide/interpreter is deemed to be trustworthy, consideration might be given to advancing him money from the imprest fund (less than \$150 for example) and sending him to negotiate such "micro" small purchases. This will free you to negotiate more important contracts, where the businessmen are more likely to speak English. The guide/interpreter may do surprisingly well negotiating on his own. (The COE uses third country nationals employed by their purchasing office in Saudi Arabia for such purchases.)

7-3. Reaching agreement and forming the contract

The contracting officer should be aware of the following:

a. Once a price has been agreed to and the terms set (keep in mind that a cost-plus-a-percentage-of-cost contract is illegal and must never to be agreed to) the contractor should be asked to sign the appropriate contract forms first, whether small or large purchase. If the contractor refuses, which is likely considering that U.S. forms are typically in English and most of the clauses are designed more for the benefit of the Government than the contractor, an impasse will occur. Should this happen, your first consideration, if viable, should be to excuse yourself, go find another source of supply and start negotiations all over again. (NOTE: One way to find out if you are going to have a problem before hand, is to ask the businessman early in the negotiations if he would be willing to sign a Government contract at the successful conclusion of negotiations.) If there is no other source within the time available, your options will depend on (1) the scope of your authority, and (2) assuming that authority does not include the waiver of mandatory provisions, the speed with which permission for a class or one time deviation can be obtained. Keep in mind that if you exceed your actual authority, your action becomes an irregular procurement subject to ratification and until then does not obligate the Government. Worse yet, if you allow the contractor to work without any contract, even an irregular one, the issue now becomes an anti-deficiency act violation. The solution is to request the widest possible contracting authority prior to deployment, since once deployed, your communications may have a low priority.

b. If the contractor signs the contract, make sure those that need a copy get one (the contracting officer, the contractor, commercial accounts, and the requestor or customer activity). Just as providing copies of cash and carry

purchases is important, the need to distribute copies of purchases involving some delay before final payment is very important. Distribution serves to keep all interested parties informed.

c. Assuming there is time, AFARS 53.190 permits the translation and reproduction of any procurement form to facilitate procurement in foreign countries. The resulting form may be bilingual or entirely separate. If the latter, the English version will be attached to it. Any inconsistency in translation will be resolved in favor of the English language version.

Chapter 8

Military Interdepartment Purchase Request

8-1. Coordinated procurement program

The DOD Coordinated Procurement Program, addressed in DFARS and AFARS subpart 8.70, concerns the assignment of selected supply items to one or more of the DOD Departments or the General Services Administration (GSA) for integrated materiel management. This management responsibility includes purchasing responsibility. Unless an exception can be found, the G-4/S-4 (or if necessary the contracting officer) must send a Military Interdepartmental Purchase Request (MIPR) (DD Form 448) to the appropriately designated Department or GSA for the purchase of supply items so designated.

8-2. Exceptions to the coordinated procurement program

a. There are two groups of exceptions to the commodity assignments and required sources of the coordinated procurement program. The first group of exceptions pertain to those commodity assignments made to a Military Department (but not the Defense Logistics Agency). The contingency contracting officer, according to DFARS 8.7100-1, could purchase the supply item if:

(1) It is an emergency situation. (According to DFARS and AFARS 8.7003-4, this can be done without prior authorization but afterwards, one copy of the contract with a statement as to the emergency must be promptly sent to the purchasing activity of the responsible procuring department.)

(2) The procurement is not in excess of \$2,500 per line item.

(3) The procurement is for an item authorized for local purchase pursuant to a mutual agreement between the assignee and the other users.

b. The second group of exceptions are those that pertain to commodity assignments made to DLA or GSA. The following is a partial listing of exceptions at DFARS 8.7100-2 which could be useful in contingency contracting:

(1) Emergency acquisitions, as determined by the requiring department. (Such items should be readily available from commercial inventories and the exigencies of the situation will not permit the delay incident to following normal channels of coordinated acquisition. Such purchases may be valued at over \$2,500. If the items are not readily available from a commercial source, emergency acquisitions should be coordinated with the cognizant DLA Center or GSA Support Region by telephone or other rapid communication prior to proceeding with the local acquisition.)

(2) Acquisitions of military service-managed or noncataloged items not in excess of \$2,500 per line item. (This exception does not apply to a line item which is on a Federal Supply Schedule which is mandatory for use by DOD activities.)

8-3. Commodity assignments

Commodities assigned to the U.S. Army under the coordinated procurement program are listed at DFARS 8.7101. The U.S. Army Materiel Command is responsible for these. Commodities assigned to the Navy are at DFARS 8.7102, the Air Force at DFARS 8.7103, DLA at DFARS 8.7104, and GSA at DFARS 8.7106. A particularly significant commodity assignment is the one to the Defense Fuel Supply Center (a DLA activity) for fuel oils and a wide range of oil related products. Historically, there will be an immediate need for fuel and oil when the units are deployed or shortly thereafter. Within the previously mentioned guidelines the contingency contracting officer should be prepared to satisfy that need.

8-4. Working with other services

Procurement agreements for the purchase of commodities or services not covered by an applicable commodity assignment in DFARS 8.71 are addressed in DFARS 8.7018. The latter cite recognizes the use of 10 U.S.C. 2308 as an authority permitting Department Heads to make assignments or delegations of procurement responsibilities from one department to another or to create joint or combined offices to exercise procurement functions and responsibilities. Such agreement could be on a one time or continuing basis. This would allow, if the Departmental Heads agree, for contingency contracting offices to be combined under a Defense Regional Interservice Support (DRIS) agreement. DRIS agreements are addressed in DODD 4000.19 and AR 5-16. As an alternative, the purchase of designated commodities or services could be assigned to one of the services having a contingency contracting team present. That team would accept MIPRs from the other service's teams, the result of which would be one large multi-service contract which would maximize economy through the consolidation of requirements and the elimination of competitive purchases between the services. An example of this would be having MIPRs sent from the Army and Navy to the Air Force contingency contracting team to purchase refuse collection services for all services in a Joint Operation.

8-5. Preparing a MIPR

a. The instructions for completing a MIPR (DD Form 448) appear at DFARS 8.7008 and are generally self-explanatory. Entries will be typed or printed with indelible pencil or ballpoint pen. Paragraphs (1)...(17) below correspond with those in Figure 8-1, and are provided as instructions on how the DD Form 448 should be completed.

- (1) Enter total number of pages.
- (2) Enter Federal Supply Class Code.
- (3) Enter control symbol number.

DD Form 448 Military Interdepartmental Purchase Request

MILITARY INTERDEPARTMENTAL PURCHASE REQUEST					PAGE 1 OF (1) PAGES								
1. FSC (2)		2. CONTROL SYMBOL NO (3)		3. DATE PREPARED (4)		4. WORK NUMBER (5)							
5. TO: (7)		6. FROM: Agency Name (Telephone Number if in printer) (8)											
7. ITEMS ARE ARE NOT INCLUDED IN THE INTERSERVICE SUPPLY SUPPORT PROGRAM AND REQUIRED INTERSERVICE SCREENING HAS NOT BEEN ACCOMPLISHED (9)													
ITEM NO	DESCRIPTION	QTY	UNIT	ESTIMATED UNIT PRICE	ESTIMATED TOTAL PRICE								
<div style="position: relative; height: 100px;"> } (10) </div>													
SEE ATTACHED PAGES FOR DELIVERY SCHEDULES, PRESERVATION AND PACKAGING INSTRUCTIONS, SHIPPING INSTRUCTIONS AND INSTRUCTIONS FOR DISTRIBUTION OF CONTRACTS AND RELATED DOCUMENTS					11. GRAND TOTAL (11)								
12. TRANSPORTATION ALLOTMENT (Used if FOB Contractor's plant)					13. MAIL INVOICES TO (Payments will be made by)								
(12)					(13)								
14. FUNDS FOR PROCUREMENT ARE PROPERLY CHARGEABLE TO THE ALLOTMENTS SET FORTH BELOW. THE AVAILABLE BALANCES OF WHICH ARE SUFFICIENT TO COVER THE ESTIMATED TOTAL PRICE.													
ACCT NO	APPROPRIATION	AMOUNT	SUPPLEMENTAL ACCOUNTING CLASSIFICATION	ACCT NO	AMOUNT								
<div style="position: relative; height: 100px;"> } (14) </div>													
15. AUTHORIZING OFFICER (Type name and title) (15)			16. SIGNATURE (16)		17. DATE (17)								

DD FORM 448 JUN 71

PREVIOUS EDITION IS OBSOLETE

Figure 8-1. Sample of DD Form 448, Military Interdepartmental Purchase Request

- (4) Enter today's date.
- (5) Enter MIPR number, which consists of the DOD Activity Address Directory (DODAAD), DOD 4000.25D; the last digit of the fiscal year and the consecutive number assigned to the particular MIPR.
- (6) If this MIPR is to amend a previous MIPR, enter assigned number.
- (7) Enter to whom the request is addressed.
- (8) Enter your agency address, name and telephone number.
- (9) Indicate (by checking appropriate boxes) if items are or are not in the interservice supply support program and if interdepartmental screening in accordance with FAR 8.001 to determine stock availability within other Departments has or has not been done. This is to be done prior to the preparation of a DD Form 448.
- (10) List the item number description, quantity, unit, estimated unit price and estimated total price of all items to be purchased. (No more than one single Federal Supply Classification per MIPR.) The information shall be arranged in the Uniform Contract Format to the extent feasible.
- (11) Enter grand total estimated dollar amount.
- (12) If the shipment will be F.O.B. origin, enter allotment for transportation.
- (13) Enter the name and address of the office to receive invoices and make payment. Include DODAAD code.
- (14) The allotment data for the procurement of supplies shall be entered as follows: the Accounting Classification Reference Number (ACRN) for each fund citation, the appropriation in ten positions, the limit/subhead up to four characters, supplemental accounting cation data shall not exceed 36 characters, accounting station shall show the six character DODAAD code of the

accounting station and finally, show the amount for each fund citation if more than one allotment is cited.

(15) Enter name of authorizing officer.

(16) Signature of authorizing officer.

(17) Enter date.

b. When the MIPR is forwarded to the Procuring Department it should include the original and six copies, complete with all attachments.

8-6. Acceptance of MIPR

a. As soon as practicable, according to DFARS 8.7009, but not later than 30 days after receipt of a MIPR, the Procuring Department receiving the MIPR shall formally accept the MIPR by issuing a DD Form 448-2, "Acceptance of MIPR." The instructions for completing a DD Form 448-2 appear at DFARS 8.7009-3 and are substantially self-explanatory. Entries will be typed, or printed with indelible pencil or ballpoint pen. Paragraphs (1)...(17) below correspond with those in Figure 8-2, and are provided as instructions on how to complete the DD Form 448-2.

(1) Enter address of requiring activity.

(2) Enter MIPR number.

(3) Enter amendment number if this is an amendment.

(4) Enter date MIPR was signed.

(5) Enter dollar amount from MIPR.

(6) Indicate how items will be provided.

(7) Check this box if any one of the MIPR line items is not accepted.

(8) List item numbers, quantities, prices and total estimated prices for items provided through reimbursement.

(9) List item numbers, quantities, prices and total estimated prices for items purchased by direct citation of funds.

DD Form 448-2: Acceptance of MIPR

ACCEPTANCE OF MIPR																	
1. TO: (Requiring Activity Address) (Include ZIP Code)			3. MIPR NUMBER (2)		5. AGREEMENT NO (3)												
(1)			4. DATE (MIPR Signature Date) (4)		6. AMOUNT (As Listed on the MIPR) (5)												
8. The MIPR identified above is accepted and the items indicated will be provided as follows: (Check as applicable) <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 60%;"> <p><input type="checkbox"/> ALL ITEMS WILL BE PROVIDED THROUGH REIMBURSEMENT (Category I)</p> <p><input type="checkbox"/> ALL ITEMS WILL BE PROCURED BY THE DIRECT CITATION OF FUNDS (Category II)</p> <p><input type="checkbox"/> ITEMS WILL BE PROVIDED BY BOTH CATEGORY I AND CATEGORY II AS INDICATED BELOW</p> <p><input type="checkbox"/> THIS ACCEPTANCE, FOR CATEGORY I ITEMS, IS QUALIFIED BECAUSE OF ANTICIPATED CONTINGENCIES AS TO FINAL PRICE. CHANGES IN THIS ACCEPTANCE FIGURE WILL BE FURNISHED PERIODICALLY UPON DETERMINATION OF DEFINITIVE PRICES, BUT PRIOR TO SUBMISSION OF BILLING.</p> <p><input type="checkbox"/> MIPR ITEM NUMBERS IDENTIFIED IN BLOCK 13, "REMARKS" IS NOT ACCEPTED IS REJECTED FOR THE REASONS INDICATED.</p> </div> <div style="width: 35%; text-align: right; padding-top: 10px;">(6)</div> </div>																	
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>9. TO BE PROVIDED THROUGH REIMBURSEMENT CATEGORY I</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">ITEM NO. 1</th> <th style="width: 15%;">QUANTITY 2</th> <th style="width: 35%;">ESTIMATED PRICE 3</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="height: 150px; text-align: center; vertical-align: middle;">(8)</td> </tr> </tbody> </table> </div> <div style="width: 48%;"> <p>9. TO BE PROCURED BY DIRECT CITATION OF FUNDS CATEGORY II</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">ITEM NO. 1</th> <th style="width: 15%;">QUANTITY 2</th> <th style="width: 35%;">ESTIMATED PRICE 3</th> </tr> </thead> <tbody> <tr> <td colspan="3" style="height: 150px; text-align: center; vertical-align: middle;">(9)</td> </tr> </tbody> </table> </div> </div>						ITEM NO. 1	QUANTITY 2	ESTIMATED PRICE 3	(8)			ITEM NO. 1	QUANTITY 2	ESTIMATED PRICE 3	(9)		
ITEM NO. 1	QUANTITY 2	ESTIMATED PRICE 3															
(8)																	
ITEM NO. 1	QUANTITY 2	ESTIMATED PRICE 3															
(9)																	
10. TOTAL ESTIMATED PRICE			11. TOTAL ESTIMATED PRICE														
10. ANTICIPATED DATE OF OBLIGATION FOR CATEGORY II ITEMS (10)			11. GRAND TOTAL ESTIMATED PRICE OF ALL ITEMS (11)														
12. FUNDS DATA (Check if applicable) <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 60%;"> <p><input type="checkbox"/> ADDITIONAL FUNDS IN THE AMOUNT OF \$ _____ ARE REQUIRED (See justification in Block 13)</p> <p><input type="checkbox"/> FUNDS IN THE AMOUNT OF \$ _____ ARE NOT REQUIRED AND MAY BE WITHHELD</p> </div> <div style="width: 35%; text-align: right; padding-top: 10px;">(12)</div> </div>																	
13. REMARKS <div style="height: 50px; text-align: center; vertical-align: middle;">(13)</div>																	
14. ACCEPTING ACTIVITY (Complete address)			15. THREE NAME AND TITLE OF AUTHORIZED OFFICIAL (15)														
(14)			16. SIGNATURE (16)		17. DATE (17)												

DD FORM 448-2

PREVIOUS EDITION WILL BE USED UNTIL REPLACED

Figure 8-2. Sample of DD Form 448-2, Acceptance of MIPR

(10) Whenever information is placed in block 9 for items purchased by direct citation of funds, the approximate contract award date is to be entered.

(11) Enter the total amount of funds required by the procuring department to fund the MIPR items, as accepted.

(12) If the amount in item 5 is not in agreement with the amount in item 11, then item 12 needs to be completed indicating overfunding or underfunding.

(13) If a MIPR line item was not accepted as indicated in item 7, indicate the line item number and the reason. Also, if any additional funds are required give justification by MIPR line item.

(14) Enter address of accepting activity.

(15) Enter name and title of accepting activity official.

(16) Official signature.

(17) Enter date signed.

b. The requiring department will be furnished four copies (one signed) of the DD Form 448-2. Additionally, each time the MIPR is amended to adjust funding or the delivery schedule, another DD Form 448-2 shall be executed.

Chapter 9

Contract Financing

9-1. General

Contract financing is the method by which work on a contract is funded. Normally this should be of singular concern to the contractor, but there are occasions when it becomes the concern of the Government. That occurs when the contractor is unable or unwilling to perform because of an inability to borrow money at a reasonable rate of interest. Should this situation become evident prior to award, and assuming the contractor is otherwise responsible (see FAR 9.104), it may be advisable to find an acceptable Government method of financing. Financing after award is not precluded if appropriate. In contingency contracting the most likely solution would be some form of partial payment, progress payment or advance payment. Loan guarantees which involve the Federal Reserve Banks are not likely to be practical.

9-2. Partial payments

Partial payments are payments made on service or supply contracts for partial performance or delivery. The size of the payment is determined by the percentage that the completed and acceptable work or supplies represents of the total contract price. Work or supplies that are unacceptable will not be paid for except to the extent that the Government benefited. The payment clause for fixed price service contracts is at FAR 52.232-1.

9-3. Progress payments

a. Progress payments are those payments made as the title implies for the progress of work under a contract. Typically such payments are used on construction contracts which will require performance over an extended period

of time. The size of the progress payment is based on the value of the construction completed, but for the protection of the Government a portion of that money is normally retained until the construction is completed and accepted.

b. Progress payments are of two types, customary or unusual. Customary progress payments are limited to 90 percent of the total costs of performing the contract. Any rate higher than these is considered unusual and requires prior approval by the Head of the Contracting Activity according to FAR 32.501-2. To obtain either type of payment, the contractor must fully document an actual need, not just a desire for Government financing. (Note: AL 86-13 generally limits payments to 80 percent applied to the maximum liability of the Government under letter contracts.)

c. The danger with progress payments, customary or unusual, is that the contractor will obtain so much money "up front" that he has little further motivation to complete the contract. This risk is particularly high when the work requires the contractor to initially pay for a large quantity of supplies, whereupon he immediately submits a corresponding request for progress payment. When this occurs, and the request is nearly half the price of the contract, good business judgement might suggest that the contractor receive, for example, only 60 or 70 percent of the request and not 90 percent. This action is not intended to be unfair but rather to protect the interests of the Government, particularly where construction contracts are concerned.

d. The contracting officer shall insert the clause at FAR 52.232-5, Payments under Fixed Price Construction Contracts, in both solicitations and fixed-price contracts when the Government intends to provide progress payments on a monthly or more frequent basis.

e. Progress payments will not be considered unusual merely because they are on letter contracts or the definitive contracts that supersede letter contracts (FAR 32.501-2(c)).

9-4. Advance payments

a. The least desirable method of Government financing is advance payments. In fact, advance payments should generally not be authorized if other types of financing are reasonably available to the contractor in adequate amounts (FAR 32.402-(b)). The obvious danger is that the contractor will take the money and leave without performing as promised. To prevent this, there are several requirements and safeguards to be followed:

(1) The contracting officer must prepare the Findings, Determinations, and Authorization for advance payments prescribed in FAR and DFARS 32.410 to accompany the contractor's request. This authorization shall be countersigned by the Head of Contracting Activity or PARC, when authorized. After approval, the request shall be forwarded under AFARS 32.409 to the Comptroller of the Army, ATTN: DACA-FAC, Washington, D.C. 20310.

(2) The contracting officer, according to FAR 32.402(c), shall determine if the statutory requirements and standards for advance payment determinations are met prior to recommending in (1) above that advance payments be authorized.

b. The restrictions on advance payments found in FAR subpart 32.4 do not apply to advance payments authorized by law for payment of the following:

- (1) Rent;
- (2) Expenses of investigations in foreign countries;
- (3) Extension or connection of public utilities for Government buildings or installations;

(4) Supplies or services purchased in foreign countries, if --

(i) the purchase price does not exceed \$10,000 (or equivalent amount of applicable foreign currency); and

(ii) the advance payment is required by the laws or government regulations of the foreign country concerned. Additional areas where the restrictions on making advance payments do not apply are found at FAR 32.404.

c. When advance payments are authorized, the contracting officer is required to keep the advances to the minimum necessary to obtain contract performance. To that end, the contracting officer should analyze both the contractor's own working capital and the cash flow required for contract performance. The objective is to limit the advance payment to the difference between the working capital on hand and the working capital required.

Chapter 10

Contract Administration

10-1. General

a. The function of contract administration is to monitor contract performance so that the Government receives the supplies and services contracted for. The skill with which contracts are administered affects not only the quality of the supplies and services received but ultimately the efficiency and effectiveness of the contingency operation. Contract/operation success will therefore depend heavily on optimizing the utilization of personnel with contract administration skills. Those skills will be sorely tested, given the hurried condition under which contracts will be created. Predictably, some contracts will contain flaws. Often these flaws will only become recognizable during the course of contract performance, at which time solutions may range from a minor, no cost change to a situation of near impossibility. Therefore, success will depend heavily on the business judgement of the contracting officer and those that he/she appoints as a contracting officer representative (COR).

b. Ideally the contracting officer should be sufficiently free of commitments to create new contracts long enough to check on the status of previously awarded contracts. As a practical matter, this will not happen. The contracting officer will be fortunate to keep up with the backlog of new requirements for which only he/she can obligate the Government. Contract administration functions must therefore be entrusted to CORs, who are functional members of the units/organizations designated to receive the contractual benefits. The direction these newly appointed CORs receive will

depend on amount of time the contracting officer can spare. Notwithstanding the need for the contracting officer to prepare a letter of appointment delineating COR duties and limitations on authority, initial guidance will probably be limited to verbal instructions. The details of those instructions should follow AFARS 42.90. The CORs must understand that they are to observe and report contract deficiencies to both the contractor and contracting officer, but at no time are they to issue directions to the contractor that would change the unit price, total contract price, quantity, quality or delivery schedule (AFARS 42.9002 (a)). The contractor should be advised prior to contract performance that if the COR exceeds his/her authority the Government will not be bound or obligated by the COR's directions. This warning is necessary to reduce the possibility of claims being submitted for work beyond the terms of the contract. To help defend against this possibility, the COR should be advised to maintain a written record or log of the contractor's performance, especially significant conversations with the contractor.

10-2. Contract modifications

a. Notwithstanding the legal difficulties/claims that can occur through erroneous communications between the contracting officer/COR and the contractor, only the contracting officer can negotiate and issue the contract modification officially altering the terms and conditions of the contract. This requirement cannot be altered by the urgency of the situation, but the process can be enhanced if the contracting officer is provided certain information with the request for modification.

b. The request for modification can come from either the Government (usually the COR) or the contractor. Those from the Government should include the following information:

(1) Specific reference to the line item and sub line items, delivery requirements, etc., to be changed.

(2) A fund citation and estimated dollar value of the change, if this change cannot reasonably be accomplished on a no cost basis.

c. Suggested contract modifications from the contractor should include information relative to:

(1) The impact of the change on performance schedules, support equipment if any and documentation if required.

(2) The cost impact, to include sufficient price/cost data to permit at least a preliminary evaluation.

The acceptability of a contractor-proposed modification is determined by the contracting officer. If rejected, the contracting officer will advise the contractor. If accepted, the contracting officer will negotiate a supplemental agreement and after having the contractor sign first, issue a SF 30 (Amendment of Solicitation/Modification of Contract).

d. Regardless of the origin of the proposed contract modification, the contracting officer will assure that sufficient funds, identified by specific accounting data, are committed prior to execution of the supplemental agreement.

e. Ideally, the Government will always have the time and resources available to negotiate a reasonable firm offer, after which a corresponding supplemental agreement will result. Unfortunately, in contingency contracting neither of those are likely to occur, with the result that unpriced change orders directing the contractor to act now may become near commonplace. However, before an unpriced change order can be issued, the conditions at AFARS 16.9004 and 16.9005 must be met. These conditions require:

(1) Unpriced contractual instruments estimated to exceed \$3 million, be approved in advance by ASA (RDA). Those below \$3 million shall be approved in advance by the HCA. Change orders below \$3 million can be redelegated by the HCA to the Chief of the Purchasing Office.

(2) A written statement of the urgency to include the date required, consequences if that date is not achieved (including additional expenditures), and when the requirement was first known to exist. The statement must be approved by the senior official (usually general officer/SES) in the requiring activity.

(3) Those unpriced change orders which are eventually issued will contain a ceiling price, which will not be exceeded after definitization via a supplemental agreement. To further that definitization process, dates should be established at which time (1) the contractor will submit a claim for equitable adjustment and (2) negotiations complete with memorandum and supplemental agreement will be accomplished.

10-3. Preparing a contract modification

a. When preparing a contract modification, a SF 30 (Amendment of Solicitation/Modification of Contract) will be used. Entries will be typed or printed with ballpoint pen. Paragraphs (1)...(16) below correspond with those in Figure 10-1, and are provided as instructions for completing a SF 30.

(1) Enter the contract identification code for the applicable contract.

(2) Enter the modification number (i.e., P00001 for the first).

(3) Enter the date the modification is to become effective.

(4) Enter the original requisition or purchase request number. This is for the benefit of the customer.

(11)

(13)

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		CONTRACT CODE	PAGE OF PAGES
2. AMENDMENT/MODIFICATION NO. (2)		3. EFFECTIVE DATE (3)	
4. REQUEST ON PURCHASE REQ. NO. (4)		5. PAGE NO. (5)	
6. ISSUED BY (6)		7. ADMIN. REF. (7)	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) (8)		9A. AMENDMENT OF SOLICITATION NO. (9)	
		9B. DATED (SEE ITEM 11) (10)	
		10A. MODIFICATION OF CONTRACT/ORDER NO. (10)	
		10B. DATED (SEE ITEM 13) (11)	
CODE		FACILITY CODE	
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS			
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of offers <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended.			
Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:			
(a) By completing items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.			
12. ACCOUNTING AND APPROPRIATION DATA (If required) (12)			
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.			
<input checked="" type="checkbox"/> A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.			
<input type="checkbox"/> B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(d).			
<input type="checkbox"/> C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF _____			
<input type="checkbox"/> D. OTHER (Specify type of modification and authority) _____			
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.			
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible) (14)			
Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.			
15A. NAME AND TITLE OF SIGNER (Type or print) (15)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) (16)	
15B. CONTRACTOR/OFFEROR (Signature of person authorized to sign)		16B. UNITED STATES OF AMERICA (Signature of Contracting Officer)	
15C. DATE SIGNED		16C. DATE SIGNED	
NSN 7540-01-152-8070 PREVIOUS EDITION UNUSABLE		30-105 STANDARD FORM 30 (REV. 10-83) Prescribed by GSA FAR (48 CFR) 53.243	

Figure 10-1. Sample of SF30, Amendment of Solicitation/Modification or Contract

(5) Enter the contract number or the project number. Normally applicant enters the contract number.

(6) Enter the contract number.

(7) Enter the contract number if it differs from paragraph (6) above.

(8) Enter the name of the contractor or supplier.

(9) Enter the contract number if it is an amendment to a solicitation.

(10) Enter the contract number from paragraph (1) above or the application number or the order number if an order is being modified. Proceed to the next page.

(11) Enter the contract number if it is an amendment to a solicitation.

(12) Enter the contract number and date, if required.

(13) The contractor must indicate the type of action. Insert the authority under which the modification is issued in the corresponding blank (see FPMR (41 CFR) 101-11.6). If the box "E" must also be checked requiring the contractor to sign this document. (If required to sign, send the contractor the original plus two copies; after signing, the contractor returns the original copy.)

(14) Describe the modification. If you need more space, use additional SF 36 or (optional) 46 or other unprinted sheets or blank paper.

(15) If the contractor wants a supplemental agreement the contractor is required to sign. The contractor should enter his/her name, title,

and signature in the spaces provided. If this is a unilateral change order, no contractor signature is required.

(16) Type or print the name and title of the contracting officer in the space indicated. Sign in the space provided. Enter today's date.

b. Once completed, modification distribution will be determined by local requirements. However the following is a suggested pattern of distribution:

(1) Contracting office - keeps the original modification unless it pertains to a delivery order in which case the original is sent to commercial accounts

(2) Contractor - one copy

(3) COR - one copy

(4) Theater/Corps Finance Group - three copies

(5) Customer activity - all remaining copies (usually four)

10-4. Terminations

a. The urgencies that earlier demanded an immediate contract can just as easily fade once the original contingency has past. Accordingly, the contingency contracting officer may suddenly find that recently awarded contracts now require termination for the convenience of the Government. In fact, except for those contracts which end through normal delivery or performance, termination for the convenience of the Government will probably have to be used to settle all remaining contracts. This is because a termination for default for work done under contingency conditions may not be supportable once a legal analysis of the facts has been made. For example, the hastily prepared statement of work may have been ambiguous, the contract administration data inadequate, the Government may have interfered with the contractor's performance, or the work may have been impacted by "acts of the public enemy." These examples underline the probable futility of pursuing a

termination based on the contractor's default. AFARS 49.101 (91) forbids the termination of a contract for convenience if the contractor is in unexcusable default and the Government has a legal right to terminate for default. This is a most unlikely event, but should it occur, the same citation does not preclude a no-cost termination settlement agreement as provided in FAR 49.402-4(c).

b. To execute a no-cost settlement agreement involving a complete termination, a supplemental agreement should be prepared using a SF 30 and following the guidance in Figure 10-1. Additionally, the special no-cost statement at FAR 49.603-6 should be inserted in block 14 of the SF 30. For a no-cost settlement agreement involving a partial termination, the same procedure would be followed, except the special no-cost statement at FAR 49.603-7 would be inserted.

c. Those situations that will not lend themselves to a no-cost settlement (assuming a termination for default is not viable) will have to be terminated for convenience of the Government. Obviously such settlements will be somewhat more complex. The contracting officer should follow the steps below to facilitate that process:

(1) Once you have determined it is in the best interest of the Government to terminate the contract for convenience, under AFARS 49.101(90) you must seek "... proper authorization and instructions from the activity which requested the contract to be established."

(2) Prepare the termination notice found at FAR 49.601-2, modified to use the alternate (a) paragraph. DFARS 43.301(a)(2)(ii)(A) requires the notice be prepared on SF 30. Have the notice hand delivered and obtain a written acknowledgement from the contractor.

(3) Distribute copies of the termination notice in the same or similar way described for a SF 30 in Figure 10-1, except copies should also be sent to any known assignee, guarantor or surety.

(4) Obtain a settlement proposal from the contractor as soon as possible. If Army units are being withdrawn from the deployment area, the contractor should see the wisdom of not delaying submission, since you too may be withdrawn. The contractor's proposal is encouraged to follow the format at DFARS 49.110(a)(1).

(5) Once the proposal is received, determine if there is a need for an audit by the Defense Contract Audit Agency (DCAA). Proposals of \$25,000 or more shall be referred to DCAA for audit. You can handle proposals less than \$25,000 provided a written summary of your review is made part of the negotiation memorandum (FAR 49.107(a)).

(6) At the conclusion of successful negotiations, but prior to the execution of the supplemental agreement the you must prepare and file a negotiation memorandum in the format of DFARS 49.110(a)(1).

(7) The supplemental agreement will be prepared according to the instruction at Figure 10-1. The settlement agreement statement at FAR 49.603-1, complete with monetary amount, will be prepared on the SF 30 to be signed.

d. The aforementioned steps are only an outline of the termination for convenience process, based on the assumption that the affected contracts would be both completely terminated and fixed price. Those contracts which do not fit this profile will follow the same basic steps but require different statements in the notice and supplemental agreement.

e. In the course of termination negotiations, the following policies must be kept in mind:

(1) If the process becomes delayed because an agreement cannot be reached, the contracting officer, according to FAR 49.109-7, can make a unilateral determination. However, before this can be done the contracting officer must notify the contractor at least 15 days prior of his/her intent to make a settlement by determination.

(2) If fraud or other criminal conduct related to the settlement is suspected, FAR 49.106 requires the negotiations to be discontinued and the facts reported.

(3) If the undelivered balance on the contract is less than \$2,000, FAR 49.101(c) directs that the contract should not normally be terminated for convenience, but should be permitted to run to completion.

(4) If the contractor would have incurred a loss had the contract gone to completion, the contractor's settlement will be adjusted on a pro-rata basis according to FAR 49.203.

10-5. Contract Closeout

a. Closing out a small purchase should require no special procedures. The speed with which it can be done however depends on how soon the customer can send a receiving report and how soon the Theater/Corps Finance Group can send payment information. (See para 4-4e for DD 1155 documentation necessary for closeout.) Files on completed transactions should be transferred to the sponsoring contracting office, from which the contingency contracting officer received the PII numbers, approximately every ninety days.

b. Closing out a large purchase however, requires a more detailed procedure than just obtaining a receiving report and payment information. A DD Form 1594, Contract Completion Statement, must be used. While the form has more applicability to centrally managed contracts, the form is also applicable to closing out physically completed contracts resulting from contingencies.

DD Form 1594: Contract Completion Statement

CONTRACT COMPLETION STATEMENT		
1. FROM: Contract Administration Office (1)		2a. PI NUMBER (2)
		2b. LAST MODIFICATION NUMBER
		2c. CALL ORDER NUMBER
3. TO: Name and Address of Purchasing Office and Direct Forward to the PCO, if known (3)		4. CONTRACTOR IDENTIFY CODE AND ADDRESS (4)
		5. EXCESS FUND <input type="checkbox"/> YES <input type="checkbox"/> NO (5)
6a. IF FINAL PAYMENT HAS BEEN MADE, COMPLETE ITEMS 6a, AND 6c.	6b. VOUCHER NUMBER (6)	6c. DATE
7a. IF FINAL APPROVED INVOICE FORWARDED TO D.O. OF ANOTHER ACTIVITY AND STATUS OF PAYMENT IS UNKNOWN, COMPLETE ITEMS 7a, AND 7c.	7b. INVOICE NUMBER (7)	7c. DATE FORWARDED
8. REMARKS (8)		
9a. ALL ADMINISTRATION OFFICE ACTIONS REQUIRED HAVE BEEN FULLY AND SATISFACTORILY ACCOMPLISHED. THIS INCLUDES FINAL SETTLEMENT IN THE CASE OF A PRICE REVISION CONTRACT		
9b. TYPED NAME OF RESPONSIBLE OFFICIAL (9)	9c. SIGNATURE	9d. DATE
FOR PURCHASING OFFICE USE ONLY		
10a. ALL PURCHASING OFFICE ACTIONS REQUIRED HAVE BEEN FULLY AND SATISFACTORILY ACCOMPLISHED. CONTRACT FILE OF THIS OFFICE IS HEREBY CLOSED AS OF: <input type="checkbox"/> DATE SHOWN IN ITEM 9d. ABOVE. <input type="checkbox"/> DATE SHOWN IN ITEM 10b. BELOW. (Check this box only if final completion of any significant purchasing office action extends more than three months beyond close-out date shown in item 9d. above. In such cases, submit a copy of the completed form upon final accomplishment of all purchasing office actions to the contract administration office. Upon receipt, the contract administration office shall extend the contract file close-out date accordingly.) (10)		
10b. REMARKS (11)		
10c. TYPED NAME OF RESPONSIBLE OFFICIAL (12)	10d. SIGNATURE	10e. DATE

DD FORM 1594
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REPLACES EDITION OF 1 JUN 68 WHICH IS OBSOLETE

Figure 10-2. Sample of DD Form 1594, Contract Completion Statement

When preparing a contract completion statement, DD Form 1594, entries will be typed or printed with ballpoint pen. Paragraphs (1)...(12) below correspond with those in Figure 10-2, and are provided as instructions on how to complete a DD Form 1594.

(1) Enter the address of the organization performing contract administration functions.

(2) Enter the applicable PII number, the last modification number, if any, and the last call/order number, if applicable.

(3) Enter the address of the contingency contracting officer.

(4) Enter the address of the contractor.

(5) Indicate if there are or are not excess funds. If there are excess funds, enter the amount.

(6) If final payment has been made, enter the voucher number and the date on the voucher. (Contract files cannot be closed out until final payment is made.)

(7) Not applicable, unless invoices are being forwarded to the disbursing office or another activity. If applicable enter invoice number and date forwarded.

(8) Enter as appropriate statements regarding other contractual aspects, i.e. property clearance if Government property was provided, settlement of claims resulting from a termination for convenience, etc.

(9) Enter name of official responsible for contract administration, signature and date.

(10) Check applicable box to indicate the closeout date of the contract file in the contracting office.

(11) Enter any applicable remarks.

(12) Enter name of the contracting officer, sign and date.

c. The contracting officer should keep in mind that the objective of contract closeout is more than documenting the file. The objective is to assure that all contractual claims and obligations have been satisfied. If they have not, the contract file must remain open. All contract files, closed or not, will be turned over to the sponsoring contracting office at the end of the deployment if not sooner.

Appendix A REFERENCES

Section 1 Required Publications

FAR Part 6	Competition Requirements. (Cited in paragraphs 5-1 and 5-3)
FAR Part 9	Contracts Qualifications. (Cited in paragraph 9-1.)
FAR Part 13	Small Purchases and Other Simplified Purchase Procedures. (Cited in paragraphs 4-2 and 4-5.)
FAR Part 15	Contracting by Negotiation. (Cited in paragraphs 5-1, 5-3 and 5-5.)
FAR Part 16	Types of Contracts. (Cited in paragraphs 5-2, 5-3, 5-4, 5-5 and 5-6.)
FAR Part 25	Foreign Acquisition. (Cited in paragraphs 4-4 and 7-1.
FAR Part 32	Contract Financing. (Cited in paragraphs 9-2 and 9-3.)
FAR Part 43	Contract Modifications. (Cited in paragraph 10-3.)
FAR Part 49	Termination of Contracts. (Cited in paragraph 10-4.)
FAR Part 50	Extraordinary Contractual Actions. (Cited in paragraph 3-5.)
FAR Part 52	Solicitation Provisions and Contract Clauses (Cited in paragraphs 4-4, 5-1, 5-3, and 9-2)
DFARS Part 4	Administrative Matters. (Cited in paragraph 3-5.)
DFARS Part 6	Competition Requirements. (Cited in paragraph 5-1.)
DFARS Part 8	Required Sources of Supplies and Services (Cited in paragraphs 8-1, 8-2 and 8-3.)
DFARS Part 13	Small Purchase and Other Simplified Purchase Procedures. (Cited in paragraphs 4-4 and 4-5.)

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DFARS Part 15	Contracting by Negotiations. (Cited in paragraphs 5-1 and 5-3.)
DFARS Part 16	Types of Contracts. (Cited in paragraphs 5-2, 5-3, 5-4, 5-5 and 5-6.)
DFARS Part 25	Foreign Acquisition. (Cited in paragraph 4-2.)
DFARS Part 32	Contract Financing. (Cited in paragraph 9-3.)
DFARS Part 43	Contract Modification. (Cited in paragraph 10-4.)
DFARS Part 49	Termination of Contracts. (Cited in paragraph 10-4.)
DFARS Part 50	Extraordinary Contractual Actions. (Cited in paragraph 3-5.)
DFARS Part 52	Solicitation Provisions and Contract Clauses. (Cited in paragraphs 4-4, 5-1 and 5-3.)
AFARS Part 1	Federal Acquisition Regulations System. (Cited in paragraphs 2-1, 3-2, 3-5, 4-3 and 5-5.)
AFARS Part 8	Required Sources of Supplies and Services. (Cited in paragraphs 8-1 and 8-2.)
AFARS Part 13	Small Purchase and Other Simplified Purchase Procedures. (Cited in paragraphs 3-2, 4-1, 4-4 and 4-5.)
AFARS Part 15	Contracting by Negotiation. (Cited in paragraph 5-1.)
AFARS Part 16	Types of Contracts. (Cited in paragraphs 5-2, 5-3 and 10-2.)
AFARS Part 25	Foreign Acquisition. (Cited in paragraph 4-4.)
AFARS Part 32	Contract Financing. (Cited in paragraph 9-3.)
AFARS Part 42	Contract Administration. (Cited in paragraph 10-1.)
AFARS Part 52	Solicitation Provisions and Contract Clauses. (Cited in paragraphs 5-1 and 5-3.)
AFARS Part 53	Forms. (Cited in paragraph 7-3.)

Section II
Related Publications*

* A Related Publication is merely a source of additional information. The user does not have to read it to understand this pamphlet.

DOD Directive 5515.3	Settlement of Claims under 10 U.S.C. 2733 and 2734, as amended
AR 27-20	Claims
AR 37-103-1	Finance and Accounting for Installations: Imprest Funds
AR 37-107	Financial Administration, Finance and Accounting for Installation - Processing and Payment of Commercial Accounts
AR 405-15	Real Estate Claims Founded Upon Contract
AR 600-50	Standards of Conduct for Department of the Army Personnel
AL 86-8	DAR Case 85-169

Section III
Prescribed Forms

None

Section IV
Referenced Forms

SF Form 26	Award/Contract
SF Form 30	Amendment of Solicitation/Modification of Contract
SF Form 36	Continuation Sheet
SF Form 44	Purchase Order-Invoice-Voucher
SF Form 1129	Reimbursement Voucher
SF Form 1165	Interim Receipt for Cash
SF Form 1402	Certificate of Appointment
SF Form 1409	Abstract of Offers
SF Form 1419	Abstract of Offers-Construction

DD Form 448	Military Interdepartmental Purchase Request
DD Form 448-2	Acceptance of MIPR
DD Form 1131	Cash Collection Voucher
DD Form 1155	Order for Supplies or Services/Request for Quotations
DD Form 1155r-1	Reverse of Order for Supplies or Services/Request for Quotations-Foreign
DD Form 1594	Contract Completion Statement
DD Form 1784	Small Purchase Pricing Memorandum
DA Form 2818	Firearms Authorization
DA Form 3953	Purchase Request and Commitment

GLOSSARY

SECTION I

ACRONYMS

ACRN...Accounting Classification Reference Number
AFARS...Army Federal Acquisition Regulation Supplement
AL...Acquisition Letter
AR...Army Regulation
ASA(RDA)...Assistant Secretary of the Army (Research, Development and Acquisition)
BPA...Blanket Purchase Agreement
COE...Corps of Engineers
CONUS...Continental United States
COR...Contracting Officer's Representative
COSCOM...Corps Support Command
DA...Department of the Army
DAR...Defense Acquisition Regulation
DC...District of Columbia
DCAA...Defense Contract Audit Agency
DFARS...Department of Defense Federal Acquisition Regulation Supplement
DLA...Defense Logistics Agency
DOD...Department of Defense
DODAAD...DOD Activity Address Directory
DRIS...Defense Regional Interservice Support
FAO...Finance and Accounting Office
FAR...Federal Acquisition Regulation
FOB...Free on Board
G3...Assistant Chief of Staff, G3 (Operations and Plans)
G4...Assistant Chief of Staff, G4 (Logistics)

GAO...General Accounting Office
GSA...General Accounting Office
GSO...General Services Officer
HCA...Head of the Contracting Activity
HNS...Host Nation Support
LOGCAP...Logistics Civil Augmentation Program
MACOM...Major Command
MFR...Memorandum for Record
MIPR...Military Interdepartmental Purchase Request
NSN...National Stock Number
OPLAN...Operations Plan
PARC...Principal Assistant Responsible for Contracting
PII...Procurement Instrument Identification
PR...Purchase Request
S3...Operations and Training Officer (U.S. Army)
S4...Supply Officer (U.S. Army)
SEC...Secure Environment Contracting
SES...Senior Executive Service
SF...Standard Form
SJA...Staff Judge Advocate
T&M...Time-and-Material Contract
UMMIPS...Uniform Material Movement and Issue Priority System

SECTION II

TERMS

Army Federal Acquisition Regulation Supplement

The Army supplement to the FAR implementing Departmental procedures and instructions.

Contract

An agreement between the United States Army and a contractor, enforceable by law.

Contractor

A corporation, firm or individual which has a contract with the Army.

Contracting Officer

An official with the authority to enter into, administer and/or terminate contracts. At the installation level, the contracting officer is appointed in writing (SF 1402) by the HCA. Administration of a contract after award may be delegated to an ACO or retained by the contracting officer.

Contracting Officer Representative

An individual from a functional activity appointed by the contracting officer and delegated specific authority, in writing to perform certain contract administration functions.

Defense Federal Acquisition Regulation Supplement

A DOD supplement to the FAR establishing uniform policies and procedures for implementing and supplementing the FAR.

Federal Acquisition Regulation

A Federal regulation establishing uniform policies and procedures for acquisition by all executive agencies.

Functional Activities

Those installation level activities outside the contracting office.

Functional Representatives

A member of a functional activity who is designated to monitor or inspect contractor performance on a specific contract. The person may be a COR.

General Accounting Office

An agency of Congress empowered to review protests from contractors regarding contracting officer decisions.

Head of the Contracting Activity

The official in command of one of the contracting activities (usually MACOMs) listed in DFARS 2.101(a). This official appoints the contracting officers who are responsible for contracting at subordinate installations. The contracting officers are responsible to the appointing HCA for complying with contracting statutes and regulations.

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19. KEY WORDS (Continue on reverse side if necessary and identify by block number) Contingency Contracting Purchase Request Small Purchases Contingency Contracting Kit Claims Commission Ratification		
20. ABSTRACT (Continue on reverse side if necessary and identify by block number) The Contingency Contracting Smart Book is intended to provide the novice contracting officer used to support an overseas deployment outside NATO or Korea with the minimal guidance necessary to provide incountry contractual support in the absence of LOGCAP or HNS support. The guidance stresses the need to obtain regulatory waivers prior to deployment but also points out potentially useful exceptions that already exist. Heavy emphasis is placed on how to complete the small purchase documentation necessary to produce an audit trail and assure accountability. (Continued)		

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Responsibilities of the State Department, Corps of Engineers and Claims Commissions are also briefly discussed. The purchasing practices described are those presently in use at installations and does not assume a Declaration of War.

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